

Steel unions defy 'no work, no pay' warning

Long confrontation between the steel unions and the British Steel Corporation was feared yesterday as the attitude of the workers hardened against proposed economic cuts. Although the corporation advised about five thousand men to stay home because there was no work, most of them turned up for work. The largest union is to meet tomorrow to discuss calls for strike action.

Strike call grows as men occupy plants

Paul Routledge, our Editor, writes: Thousands of steel workers are defying management warnings not to report for work, and are set to stage for what could be a long confrontation between the steel unions and the British Steel Corporation. South Wales more than 100 workers in five plants are occupying their work places. At home because there is no work, and followed on instructions to report as at. Although told there was no work, no pay, they turned in the factories, stage a symbolic 'work-in'. No work was produced, and at one plant, Port Talbot, 300 workers could rolling mill went on strike.

There was also trouble at Llanwern, Ebbw Vale, Trostre and Velindre plants, works, and 'Shelton'. Most of these plants produce sheet steel for the car and consumer durable industries, for which demand is lower than for a long time. At Corby tube works, about 100 men refused to be redeployed. Even at the profitable River Don works, in Sheffield, the men are handing overtime from today in protest at the economy measures. The big plants in Teesside and in Scotland are not yet back to normal after the new year's holiday, and will not be involved until Wednesday, and the new Anchor plant at Scunthorpe is benefiting from the steel corporation's policy of diverting such work as there is available to modern, high efficiency units.

The corporation is adamant that the men will not be paid for attending their place of work yesterday, though this cut of £10-£15 a week in their pay packets will not be felt until the end of next week because the men work a week in hand. By that time opposition to the cost-cutting is almost certain to have grown. In the steel-making area of Sheffield-Rotherham opposition will be coordinated at a meeting of the South Yorkshire Trades Council on Saturday. The corporation has already taken up the men's case, and the unions will be asked to stick together in the campaign. Wage talks covering more than 100,000 heavy steel workers and craftsmen are to be held tomorrow and on Wednesday, when the corporation replies to union claims for cost-of-living rises, for which they were free to ask under the present agreement. The corporation has already asked the unions to waive the claim, and is expected to tell the men that no cash for a pay rise is available during the severe economic recession in the industry.

As more men are told there is no work for them because of the switching of orders to profitable plants, feeling, already running high, may precipitate more strike action. That is particularly likely in Scotland, which has not yet felt the impact of the new measures and where unofficial strikes took place over earlier, less stringent wage economies. Mr. William Sims, general secretary of the Iron and Steel Trades Confederation, has gone on record as being opposed to official stoppages, but he has also acknowledged that the executive is under strong pressure from a number of branches to call a strike. That pressure is likely to reach a 'fresh pitch' at tomorrow's meeting.

Chancellor rules out flat sum for next curb

By Martin Huckerby, Political Staff
The Government plans to continue an incomes policy well into the future, probably extending into 1978, Mr. Healey, Chancellor of the Exchequer, indicated yesterday. "We must continue the voluntary incomes policy in the next wage round and the one after that—probably," he said.

His statement came during an interview on London Weekend Television's *Weekend World*. Giving some pointers to the Government's thinking about wages, two of its pay policy, due to start in August, he said that the present limit of £6 a week on pay rises could not be replaced by an agreement based "on a flat sum which is the same for everybody".

A pay rise norm which involved no inflation would have to be about 3 per cent on top of the present average wage of about £60 a week, but such a limit would be "more than it is reasonable to expect people to accept".

"The immediate sacrifice which would be required if you were going to stop inflation dead in its tracks in 12 months is probably greater than the system would tolerate," he wanted to go as far as "we could expect to in the real world".

He believed that the stage two policy would have to allow for the correction of anomalies, the restoration of differentials and higher pay for people who sharply increased their productivity, and would have to take account of what the market demanded for different kinds of skills.

"I think the real problem next year will not be so much in fixing the overall amount of the wage increase; I am fairly optimistic that people are going to be sensible on that. It is going to be to have a very much more flexible type of arrangement which will enable us to correct some of these anomalies."

The Chancellor was confident that he would be able to withstand the pressure put on him to relax the economy. "It would be impossible for me to deal with unemployment by a general increase in demand of thousands of millions of pounds until we got our inflation rate down to international levels," he said. "We have not reached that position yet."

He had been discussing the matter "continuously with my colleagues, both in the Labour Party, in the Cabinet, and in the trade union movement". Of demands that he should reduce public spending, he said: "To cut the public sector deficit, or to eliminate it, this year would have been a cruel madness. It would mean unemployment of probably three million."

After discussing the need for incentives, Mr. Healey said: "I would certainly like, on the whole, I think to relax taxation on what people earn, even if it means increasing it on what people do not earn."

He believed the middle management earning between perhaps £4,000 and £8,000 a year "has taken quite a cuning, and I would like to help him". But Mr. Healey pointed out that every Chancellor of the Exchequer faced thousands of problems and had to try to determine the priorities.

Improved sea defences prevent disaster on 1953 level

By Neville Hodgkinson

As hundreds of home owners were mopping up yesterday after Saturday night's floods on the east coast of England, there was some comfort in the fact that sea defences and warning systems introduced after the 1953 flooding disaster had, for the most part, done their work.

A huge tidal surge battered the coast on Saturday evening, associated with the gales of the previous 48 hours, which led to more than 20 deaths. The tide came slightly higher than that of January 31, 1953, when more

than 300 people were killed and vast areas inundated.

This time, however, few points in the sea defences were breached and there was no loss of life from flooding.

Millions of pounds were spent on strengthening the defences in the late 1950s and the 1960s, and river authorities spokesmen said yesterday that that had prevented far more damage.

The worst breach was at Cleethorpe, Humberside, where nearly 400 homes were flooded to depths of up to four feet and parts of the railway line run-

ning into the town were washed away.

The police, river authorities and emergency services were alerted on Saturday night by the Storm Tide Warning Service, which is based in the Meteorological Office in Bracknell, Berkshire. It was set up after the 1953 disaster and is run by a retired naval lieutenant-commander and three naval hydrographers.

They divide the east coast of England into five sections, of which the most northerly was given a provisional flood alert on Saturday night, 12 hours

before high tide, confirmed as an alert eight hours later. The second section was given a confirmed alert 12 hours in advance, later raised to a danger warning, the strongest.

The third and fourth sections were given danger warnings 12 hours in advance, and the fifth raised as an alert and was started as danger.

The predictions are obtained by applying a mathematical equation which takes into account early tide level readings from Scotland, where high tide comes first, meteorological information, and information

relating to previous tidal surges. The Meteorological Office in London said yesterday that the huge tide was a direct result of an intense depression moving from west to east across southern Scotland on Friday and into the North Sea on Saturday.

The gales associated with the depression had been the worst for almost 20 years, with gusts of about 100 mph in places. There had been intense south-westerly and westerly winds across the north and north-east on Saturday, which prevented one tide from receding and drove Saturday night's tide to its abnormal level.

The gale damage runs into millions of pounds.

Mr. Michael Brotherton, Conservative MP for South, called on the Government yesterday to act immediately to help those affected. He has written to Mr. Crosland, Secretary of State for the Environment and MP for Grimsby, with the request.

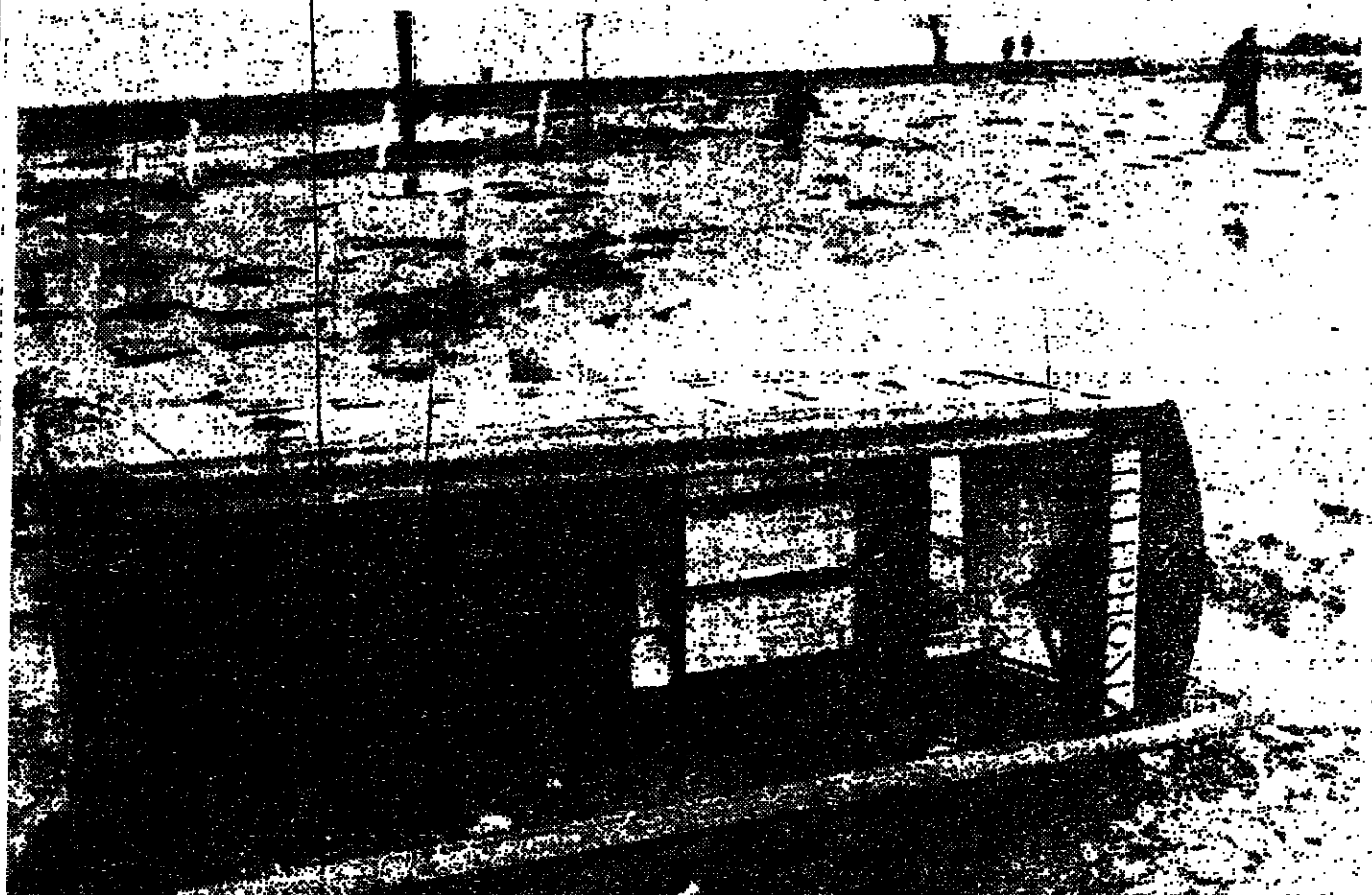
Apart from flood damage, many areas had been blacked out last night since Friday. Storm devastation cut electricity supplies to 300,000 consumers in the Eastern Electricity Board's region alone. By last night a 1,000-strong repair team had restored supplies to 290,000 people.

Many household insurance policies cover flood and storm damage, and companies advised policy holders to inform their insurer immediately if they think they are covered.

The storm, which swept across Germany, France, Belgium, Holland, Switzerland and Denmark on Saturday, leaving at least 17 dead, yesterday moved east towards the Black Sea, diminishing in intensity.

An air-sea search yesterday failed to discover the 500-ton British container *Caracotic*, which on Saturday night sent out distress signals north of the Dutch island of Texel. British and Dutch reconnaissance aircraft flew over the area yesterday.

Trail of havoc, page 2



A telephone box, toppled by hurricane force winds, lies on the wreckage-strewn seafront at Walcott, Norfolk.

Five Catholics killed as IRA 'gangsters' are condemned

From Our Correspondent, Belfast

Five Roman Catholics were killed by gunmen in two incidents in Clontarf last night, hours after the Northern Ireland Office had attacked a Provisional IRA threat for a full-scale renewal of terrorism unless Britain withdraws her forces.

Two brothers, aged 19 and 24, and their uncle, aged 61, were killed at a family reunion at Ballydugan, near Lurgan, co. Armagh. Another man was injured. His condition last night was said to be serious.

In the second incident, at Whitcross, south Armagh, two brothers were killed while watching television. A third brother was in hospital last night with stomach and leg wounds. He too was said to be in a serious condition.

Mr. Seamus Mallon, the Social Democratic and Labour Party member for Armagh in the Northern Ireland Convention, said later that all the victims were party members.

A senior security source said: "The timing of the two raids and the fact that Catholics were the victims in each case, must be more than coincidence."

The Northern Ireland Office's earlier response to the IRA threat came after seven bombings on Saturday in which 40 people were injured and the shooting at Cookstown, co. Tyrone, on an RUC reserve camp, who was said to be seriously ill last night and a civilian. It said the IRA threat was theatrical, unreal and self-justifying.

The Northern Ireland Office said: The so-called Belfast Brigade of criminal gangsters have themselves created a record of murder, destruction and bloodshed which would be hard to equal."

The so-called Belfast brigade of criminal gangsters have themselves created a record of murder, destruction and bloodshed which would be hard to equal."

It added that IRA units throughout Northern Ireland had been placed on alert and were ready and able to defy any attempt to set up a devolved government at Stormont.

"The sacrifices and determination of the past five years must be remembered and developed. Britain has been given the chance to withdraw from Irish soil in a phased and orderly manner. The choice is hers. She can release the Irish people from their colonial yoke without bloodshed or she can order her beaten and demoralized army to protect the flag for a few more years."

On the ceasefire, the Provisional IRA said that it stood by the terms of the truce, and had taken regulatory action only when British troops had "engaged in terror tactics" against the civilian population.

A bomb hurled into the Golden Hind Bar, Portadown, co. Armagh, injured 21 people on Saturday night.

Clontarf, in south Armagh, the Lough Inn was badly damaged after a bomb in a holdall was placed at the door.

Car measure: From today it will be an offence in Northern Ireland to park a vehicle without locking the doors and closing the windows (The Press Association reports).

The new regulations, aimed at reducing the use of stolen vehicles for crime, will be extended later to require drivers to immobilize their vehicles by using anti-theft devices or removing vital engine parts.

Ford denial on training Angola mercenaries

From Patrick Egan, Washington, Jan 4

President Ford said yesterday that the United States was not training foreign mercenaries to fight in Angola, but was expending some federal funds "trying to be helpful". Various official spokesmen said on Friday that no American mercenaries were being trained for Angola, but avoided the question of the training of foreigners.

Mr. Ford was giving a television interview which will be broadcast tomorrow. Talking about the American involvement in the civil war in Angola, he left open the possibility that American money was being used to pay for mercenaries fighting with the two anti-communist groups there.

He said the United States was working with other nations, including the Soviet Union, to solve the problem, "to give the Angolans an opportunity to make the decision for themselves, and I think that is a proper responsibility for the Federal Government."

The President defended the detente policy, despite Russian involvement in Angola. "If the American people will take a good, clear-eyed look at the benefits of detente," he said, "I think they will support it."

rather than oppose it and politically I think any candidate who says 'Abandon detente' will be the loser in the long run."

Meanwhile, the House of Representatives' committee on intelligence, which has been examining the activities of the Central Intelligence Agency, has prepared a report on Angola and American involvement in events there. The President is exerting every effort to have it suppressed. He claims the right to veto its publication, and has written to the committee chairman, Mr. Otis Pike, saying that to publish it would jeopardize national security.

The report apparently maintains that there has been a process of competitive escalation between the Soviet Union and the United States in supplying arms to Angola. The CIA is said to have started supplying arms to the pro-Western forces there last spring (the official version now maintains that the first shipments went out in July) and that the first shipment worth some \$300,000 (£150,000) might have been taken by the Russians as a challenge.

Nigerian pressure to recognize NPLA, page 11
Lord Chalfont, page 10
Leading article, page 11



A reflection of good taste
Blue Nun from Sichel
right through the meal

IS hearings on Concorde's fate take place today

Hearings begin in Washington today on whether the supersonic Concorde will be allowed to use American federal airports. Evidence for and against will be heard by Mr. William Coleman, the Secretary of Transportation. He has promised that he will give his verdict within 30 days and he said he will reach a decision without any outside interference. Page 4

LA want bigger loan

Port of London Authority, after making a loss last year which may be as high as £5m, is seeking government approval for a substantial increase in its borrowing. These were set at £12m in 1975. Page 13

Chrysler rescue deal signing imminent

Chrysler is almost certain to sign the rescue deal with the Government today, after acceptance in principle by the unions on Saturday of the 8,300 redundancies involved. The agreement provides for a £430m loan to help the American-owned company to continue operations in Britain, and it is expected that the first instalment will be immediately available. Page 13

Homicide rate doubles

The rate of murder, manslaughter and infanticide has doubled in England and Wales in the past 15 years. A report out today also states that a third of the male homicides in the 1970s were caused by drinking, against one in seven in the 1950s. Page 2

Cheese is upper-crust

The French Ministry of Agriculture has published a decree setting out the conditions for the production of the Normandy cheese *Iravot*. It thus joins 17 other cheeses, out of more than 300 French varieties, in the distinction of having a certificate of origin. Page 3

TV for South Africa

South Africa's first television service opens today. An estimated one million people are expected to watch the official opening on a screen which, at £500 each, are probably the world's most expensive. Page 4

Labour split in two, Mrs Thatcher says

The Labour Party was split from top to bottom because it was really two parties, Mrs Thatcher, Leader of the Opposition, said yesterday. She said she would bring down the Government as soon as possible this year. But in a new message Mr. William Sheehan, chairman of the Tory Reform Group, said the Conservatives were doomed to remain permanently in opposition unless they widened their appeal. Page 2

Treasures from Thrace

An exhibition of gold, silver and bronze Thracian treasures from archaeological collections in Bulgaria opens at the British Museum on Thursday. Page 3

Broadcasting: Article suggests that stability of broadcasting is threatened because of inadequate revenues and soaring costs

Welsh gloom: Rising unemployment, cuts in the steel industry and weariness with the devolution debate combine to give a dismal outlook for 1976. Page 2

EEC: Britain likely to confound Brussels crises over direct elections to European Parliament

Portugal: A commission of legal experts is to investigate alleged torture of political prisoners. Page 3

India: Opposition parties will boycott today's opening of Parliament in protest against continuation of the state of emergency

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HOME NEWS



A silver drinking vessel in the shape of a bull's head, one of the Thracian treasures to be exhibited at the British Museum.

More than 200 ancient burial mounds and tombs in Bulgaria are being excavated each year

Treasures of the Thracian priest-kings

By Diana Geddes

An exhibition of more than six hundred gold, silver and bronze treasures of the Thracian civilization, dating from the fourth millennium BC to the first century AD, which has been assembled from 25 archaeological collections in Bulgaria, opens to the public at the British Museum on Thursday.

The main part of the exhibition has already been shown in Moscow, Leningrad, Paris and Vienna, as well as in Sofia, where it was first mounted in 1972. But excavations of the estimated 20,000 Thracian burial mounds and tombs in Bulgaria are now proceeding at a rate of 200-250 a year, and about eighty recent finds will be on display for the first time in London.

Among these are five exquisitely worked silver Rousse treasure, dating from the fourth century BC, which comprise three rhyta (drinking vessels) in the shape of a horse, a bull and a sphinx, a gold embossed silver plate depicting a deer being attacked by a griffin, and a silver jug decorated with a double frieze in relief of a scene from the celebration of Dionysian mysteries.

Three of the Rousse treasures, which are considered one of the most important archaeological finds in recent years, were discovered by chance last December by a farmer while ploughing a field of long-abandoned land in the Rousse district of Bulgaria. They were lying less than four feet under the surface.

All archaeological finds belong by law to the state. But the finder is rewarded (and discouraged from secret hoarding) by the payment of a quarter of the hypothetical value of the often priceless objects. The farmer was given 3,500 leva (about £1,750).

The three brothers who in 1949 discovered the Panagurishte treasure, another feature of the exhibition, were given 10,000 leva. This treasure is a set of nine solid gold drinking vessels, weighing more than 14lb and decorated with scenes of Greek gods and heroes, which date from about 300 BC.

The fifth-third centuries BC marked the socio-economic and cultural flowering of the Thracian civilization in the Balkan peninsula. It was greatly influenced by the two great neighbouring cultures in the Near East and in Greece. But despite many foreign influences, the Thracian culture retains its own peculiar characteristics.

The Thracian civilization is one of the oldest in Europe, as the gold treasures from the Copper Age and those of the Vuchitran tomb (c. 1500 BC, Bronze Age), which form part of the present exhibition, bear witness.

The Greek historian Herodotus (fifth century BC) was one of the first to describe the people of ancient Thrace, ranking them "the most numerous people in the world after the Indians", and expressing the view that they would have been the most invincible of all peoples had they been united under a single ruler.

The population numbered about one million, but with the exception of the period of the Kingdom of Odrissia in the fifth century BC, it was never united, being ruled instead by a number of tribal priest-kings. It is from their tombs that most of the treasures come. Thrace fell under the power of Philip II of Macedonia in the third century BC, and then of Alexander the Great, who completed its conquest.

The Thracians contributed to, as well as borrowed from, the other cultures with which they came into contact through trade, alliances and invasions. The cult of Dionysus and the myth of Orpheus are claimed to be Thracian creations, for example. Two outstanding features of early Thracian art are a preference for animal forms and symbolic ornamentation.

The Thracian religion, like their art, was a synthesis of elements from many ancient cults, including the cult of the sun, often symbolized by concentric circles, and of the earth. They also believed in a happy anthropomorphic after-life.

When a baby was born the Thracians cried and sang songs about his future troubles in this world. But when someone died there was great feasting, dancing and jubilation, for this was the beginning of a life of bliss.

It was nevertheless thought that the dead man would need practical objects in his after-life, and so he was buried with cooking pots, drinking vessels, food, jewelry, armour and horse-trappings, and sometimes his favourite horse.

Herodotus even said that wives were killed and buried with their husbands, but that is difficult to verify.

The Thracians worshipped a horseman-god, who is depicted on various objects and votive tablets from the fourth century BC onwards. Their horses, horse-trappings, armour and weapons were a great source of pride to the Thracians, and the tombs contain many such beautifully fashioned objects.

The exhibition has been lent by the People's Republic of Bulgaria in accordance with a cultural agreement signed in 1974. Additional material has been lent by the Ashmolean Museum, Oxford. It will be open from 10 am to 5 pm on weekdays and from 2.30 pm to 6 pm on Sundays. Admission is free.

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WEST EUROPE

Britain likely to confound Brussels critics over direct elections to European Parliament

From Michael Horasby
Brussels, Jan 4

Direct elections to the European Parliament, which are rapidly becoming the touchstone of the keenness of EEC governments to move towards greater political and institutional integration, seem certain to be a dominating theme at the first Community summit of the year in March.

For Mr Callaghan, the Foreign Secretary, the next few months could provide the opportunity to show that the "Brussels lobby", which he assailed last month for its alleged anti-British bias, has indeed been unfair in portraying Britain as the slow coach of the European convoy.

Final confirmation must await the White Paper which the British Government is understood to be preparing, but Britain does seem to have shifted its ground.

At the Rome summit last month, Mr Wilson was able to assure his colleagues that Britain would do its best to meet the 1978 deadline for the first direct elections, though he asked and was granted the right to continue sending nominated British members to the European Parliament after that date.

Since then Mr Callaghan has hinted at a change of heart. Commons that the 1978 target date, which he had previously dismissed as a political and procedural impossibility for

Britain might be practicable after all, "if the House wills".

In Rome, the heads of government undertook to give their final approval to a convention setting out the provisions for the introduction of direct elections when they meet in March. Once approved, the convention would have to be formally adopted by the Council of Ministers and submitted to national legislatures for implementation.

In Britain, an Act of Parliament would be needed. In France, some influential voices, including that of M. Michel Debré, the former Prime Minister, are arguing that the introduction of direct elections there would require a revision of the constitution or a referendum to determine whether the French people are ready to abandon their national sovereignty.

Getting the required legislation through national parliaments, and delineating the boundaries of Euro-constituencies, is bound to take a good deal of time. In Brussels, it is generally felt that the Council of Ministers will need to give the go-ahead in the first half of this year if there is to be any real chance of keeping to the 1978 timetable.

The drafting of the convention on direct elections is being done by Corneille, the Brussels-based committee of permanent representatives of EEC member states. Corneille's basic task is to reconcile the

European Parliament's own draft proposals with the objections to them raised by national governments.

The distribution of seats within a directly elected assembly is proving the most difficult question to settle. The European Parliament has proposed the creation of a 355-member House with seats shared out as follows: West Germany, 73; Britain, 67; Italy, 66; France, 65; Holland, 17; Belgium, 13; Denmark, 12; Ireland, 23; and Luxembourg, six.

This allocation would reflect population strengths more closely than is the case in the present 198-member Assembly, but it would still be weighted in favour of the smaller states. France and Britain want seat distribution to be more strictly related to population, while Ireland objects to any reduction of the 5 per cent of seats it holds at present.

As they stand, the Parliament's proposals would leave regions within the larger EEC countries seriously under-represented. Scotland, for example, could expect to get only one or two more seats than Luxembourg despite having a population nearly 15 times as big.

Nevertheless, anything like strict proportionality between seats and population is virtually out of the question since it would require an assembly of more than 700 members to ensure Luxembourg even one seat.

Livarot has its cheesy status laid down

From Charles Hargrove
Paris, Jan 4

General de Gaulle was credited with saying that it was impossible to govern a nation like France which produced more than 300 cheeses. Next to bread, cheese has always been part of the staple diet of Frenchmen, and it will come as no surprise that many foreigners to learn that cheese, like wine, has its letters patent and its official classifications.

Saturday's *Le Journal Officiel* publishes a decree by the Ministry of Agriculture laying down the strict conditions under which a cheese is entitled to the appellation d'origine (certificate of origin) of a variety known as Livarot, from Normandy.

Livarot is a highly flavoured cheese, some would call it pungent. No cheese can henceforth be sold under this name unless it is produced in particular districts of the Lisieux and Argentan areas, and has been matured there for at least two weeks.

The decree lays down that Livarot is a cheese of cylindrical shape, "made exclusively from pressed cows' milk, of kneaded curds, with a soft paste neither baked nor pressed, slightly salty, matured, and with a reddish crust, generally bound together with three or five strings, and containing a minimum of 40 grammes of butter per 100 grammes of cheese after complete desiccation".

Minimum weights and sizes are laid down for four different categories of Livarot. All attempts to pass off something else in its place will be prosecuted.

Only 17 of the 300 varieties of cheese in France can boast the appellation d'origine, including such as roquefort, gruyère, pont-l'évêque, camembert, poivre, or neuchâtel. But the most famous French cheese, camembert, is not of the number.

Blockade lifted on Gibraltar for mercy flight

From Our Correspondent
Gibraltar, Jan 4

Gibraltar's frontier gates were opened briefly on Saturday night for the first time since the 40-day blockade began 10 years ago to allow a seriously ill West German woman to be flown to Cologne.

A Gibraltar doctor went through the frontier to negotiate the release of the woman, Crista Ermine Voss, in a Spanish ambulance. She was then flown to West Germany in a military aircraft under a civilian pilot's licence. The Spanish ambulance returned to Spain and the border was closed once again.

Meanwhile, the telephone links with Spain, reconnected for seven days over Christmas, have once more been cut. During Christmas about a thousand calls were made each day between relatives and friends, whose only means of communication from home will be waving and talking in sign language across the frontier gap of some 20 yards.

Jeweller freed by kidnappers

Verona, Jan 4

Signor Filiberto Fracaro, a jeweller kidnapped in Verona on Christmas Day by three masked bandits, was released early today in the mountains outside Verona, the police said.

They did not say whether any ransom had been paid. He was the second person released by kidnappers this year. On New Year's day Signora Carla Barba Napoleti, a relative of Signor Gianni Agnelli, the industrialist, was released after being chained to a bed for 35 days.

Inquiry into alleged torture in Portugal

Lisbon, Jan 4

General Antonio Ramalho Eanes, the Portuguese Army Chief of Staff, has ordered a commission of military and civilian legal experts to be set up to investigate alleged torture of political prisoners, military sources said today. It would begin its inquiry next week.

Three days ago, men of the Republican Guard shot dead three leftist demonstrators outside the Custodias military prison in Oporto. A fourth demonstrator died in hospital yesterday from a bullet wound.

About 5,000 demonstrators were protesting at the continued detention there of about 100 people alleged to have been involved in a left-wing military rebellion on November 25.

There were also New Year demonstrations outside the Custodias prison near Lisbon, where other leftist prisoners are being held.

The leftists alleged that many of the prisoners detained after November 25 were held in illegal solitary confinement and deprived of basic rights.

After criticism last month by the Geneva-based International Commission of Jurists, the military leadership promised that those involved in revolt would be brought to trial soon.

The Office of President da Costa Gomes released a statement yesterday saying that the demonstrators at the prison had been ordered to leave the security forces so as to discredit them.

In the Custodias riot, several people had been armed with pistols and one with an automatic rifle, the statement went on.

General Antonio de Spínola, the former President, said in an interview published in Oporto today that he considered the Portuguese armed forces to be "fragile" as a result of indiscipline.

He also alleged that there were organized, armed groups of foreigners operating in Portugal, but did not elaborate.

He considered the armed forces "fragile" to be dangerous because "the Communist Party is skilful, extremely skilful at the indirect manoeuvre". And no one knew what the next move would be.

Mr Ken Yates, the skipper of the Prince Philip, said the Aguirre came within yards of his trawler's stern during the cutting operation. It tore a large hole in the chain of the trawler's side and left its cutter embedded in the wire.

Mr Yates said the Aguirre, its lights placed to resemble a merchantman, had appeared without warning.

Helicopters attacked
Madrid, Jan 4—Saharian guerrillas armed with light automatic weapons fired at six Moroccan helicopters parked at the airport near the Sabaran capital of El Aaiun, the Madrid newspaper *Ya* reported today. There were no casualties.

New President
Tamparive, Jan 4—Captain Didier Ratsiraka was sworn in today as President of the Malagasy Democratic Republic, formed after a referendum on December 21 approved a new constitution.

Inquiry urged into 'illiteracy' in mathematics

From Our Correspondent
Derby

A call for Mr Mulley, Secretary of State for Education and Science, to institute an inquiry into "illiteracy in mathematics" was made yesterday by the Professional Association of Teachers.

Mr Mitchell Lambert, chairman of the 10,000-strong, Derby-based association, said he was pleased that Mr Mulley recognized that the education of mathematics was not simply a question of learning numbers, and how to use them.

He added: "There is illiteracy in maths as well as in reading. Maths illiteracy is far easier to hide and less obvious; therefore it is a greater problem. In the schools the level of numeracy is drastically lower than the level of literacy. The question of the national shortage of maths teachers also needs to be investigated."

Mr Mitchell Lambert said that only something as exhaustive as the Bullock inquiry into reading would be adequate.

Councils 'cutting spending on school equipment'

By a Staff Reporter

Local education authorities are cutting spending on new school equipment because of rising costs, the National Union of Teachers, says in a report on spending on educational equipment, published today.

A survey conducted by the union shows that many authorities have not reached the level of equipment recommended for 1975 by the Association of Education Committees. It says it is clear that authorities would have to consider increases of at least 30 per cent if the present level of allowances is to be maintained in 1976-77.

The report was prepared by the union's education department from information provided by 100 local authorities producing school equipment.

A furniture manufacturer estimated that there was a 50 to 70 per cent decrease in demand for school furniture during 1975. The price of a desk and chair set rose by 70 per cent during the year. The cost of crayons for art and craft rose by between 50 and

60 per cent and there was a 43 per cent increase in the price of exercise books.

Mr Fred Jarvis, general secretary of the union, said: "Cutbacks in spending on educational equipment have a direct effect on the quality of education that can be provided."

"The 'make do and mend' situation means that children suffer because they are not given the proper tools for learning and teachers suffer because they are expected to make up for deficiencies in the equipment with which they have to work."

An inadequate language laboratory, for instance, means that the teacher can give less individual attention to each child. An increase in vandalism is also to be expected where furnishings and equipment are of poor quality and cannot be replaced.

The report tells of an instance in West Sussex where schools asked parents to make up the deficit caused by inadequate capital allowances. Funds raised by parent-teacher associations were used to buy books and materials.

25 years ago

From The Times of Thursday, January 4, 1951.

Sir Gerald on art

Opening an exhibition of eighteenth-century Venetian paintings at the Whitechapel Art Gallery yesterday, Sir Gerald Kelly, President of the Royal Academy, said no one needed instruction to look at paintings—they were there to be enjoyed by all.

"The function of the arts is to provide entertainment," he said. "I am bored with all this morality and uplift and education, and, above all, I hate instructions."

"If you could only free men's minds from that terrible fear that because they have not undergone a procedure... they are unfit to look at pictures. It is the very opposite. Pictures are there to be looked at, not to be 'written about'—and not talked about."

£50,000 winner

The weekly £50,000 Premium Savings Bond prize, announced on Saturday, was won by number 2 AN 11337. The winner lives at Hartfordshire. The 25 £1,000 winners are:

IS THERE ANY FUTURE IN THE EUROPEAN DREAM?

Just how common are Europe's common policies? Are the European powers—that-be learning from their mistakes? Will the day ever come when we think of Europe as a nation rather than as an alliance, or will the 'nine' always be politely agreeing to differ?

Tomorrow the entire issue of Europa is devoted to the future of Europe.

Leading European writers and journalists have contributed articles that talk about Europe's evolution since the early fifties, scrutinize her financial, social and political position in the world today and discuss what lies in store for her in the years to come.

Major issues like the future of Europe's Common Agricultural Policy and her relations with the Third World will all be covered in depth; also, in order to convey the varied opinion that surrounds Europe we are including articles and comment by leading Europeans (from economists to footballers) who put forward their own particular views on the subject.

Published on the first Tuesday of every month, Europa investigates and discusses financial and industrial affairs and allied social questions, as they affect the total European business community.

Europa is published simultaneously with The Times, Le Monde, La Stampa and Die Welt. Each newspaper is responsible for its own language version of Europa and articles are always up-to-date as they are translated into the mother-tongue immediately before publication.

Altogether, Europa is a unique newspaper, the only one written exclusively for, and by, Europeans.

Make sure you read it by buying The Times tomorrow.

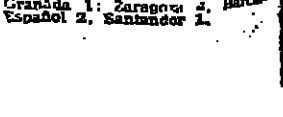
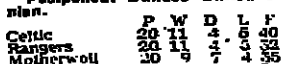
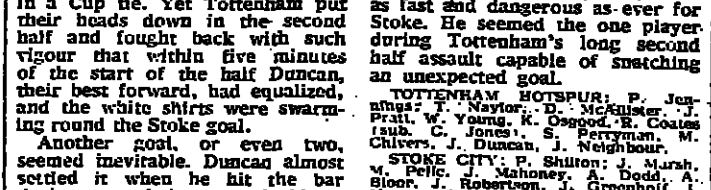
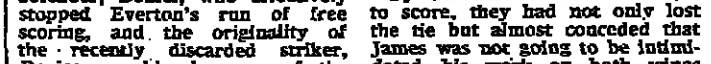
Le Monde
LA STAMPA
DIE WELT

Europa

The first truly European newspaper.

سكيا من الامال

Odd-job man sweeps away Newcombe and pockets cheque

[illegible]

ENTERTAINMENTS

When telephoning add prefix 01 only unless London Metropolitan Area

OPERA AND BALLET

COVENT GARDEN 240 1006
Tonight, *The Royal Ballet* presents the new production of *The Sleeping Beauty* by Tchaikovsky. The Royal Ballet, under the direction of Sir Kenneth MacMillan, will perform this masterpiece of the 19th century. The story is based on the fairy tale by Charles Perrault. The ballet is a masterpiece of the 19th century. The story is based on the fairy tale by Charles Perrault. The ballet is a masterpiece of the 19th century.

ROYAL FESTIVAL HALL 240 1006
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QUEEN ELIZABETH HALL 240 1006
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THEATRES
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ADOLPH THEATRE 01-226 7011
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A LITTLE NIGHT MUSIC
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AMERICAN THEATRE 01-226 7011
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THE RETURN OF A PAPA
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THE NORMAN CONQUEST
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THE BLACK MOUNTAIN
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THE TOUCH OF SPRING
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MONDAY BOOK

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Novelists and Dissent: George Eliot, Mark Rutherford and Mrs Gaskell

Between Church and Chapel

Everywhere Spoken

Against

By Valentine Cunningham

(Clarendon Press £7.50)

Valentine Cunningham's theme is that, with a few fine exceptions, Nonconformity was not

fairly depicted in Victorian novels. Dissent was considered

second-class religion, and Dissenters made to be second-class

citizens. Victorian novelists

did not exaggerate when they

presented the great social gulf

that lay between Church and

Chapel. It did inhibit their

dealing openly with Dissenters

as fictional characters, and with

their writing on the Dissenting

way of life and worship.

There is some truth in this.

The degree of misrepresentation,

or lack of understanding,

should not be got out of focus.

It is easy to think of unattract-

ive Nonconformity, and the

Victorian fiction of the Church

of England was not immune.

Jane Austen's Mr Collins, al-

though outside Mr Cunning-

ham's time scale, is a prototype

of many Anglican clergymen in

Victorian fiction. Mr Elton is

not much more likable. Trol-

lope's Rev Obadiah Slope is

far from an admirable

character. Dr Gaster in *Head-*

long Hall has been called "an

ignoble brute", and Peacock

was an arch-Trope. Also, while

the life of the more extreme

practising Dissenters may have

been depicted as unimpeachably

dull and graceless, what com-

ing through in many novels in

spite of this is integrity. Such men

and women, and their counter-

parts in reality, were the moral

strength and commercial back-

bone of England.

These are impressions. Mr

Cunningham's reading and docu-

mentation are that of the

scholar. He explores the variety

of Dissent, and its effect on the

Novel. He deals with its con-

nection with Radicalism. He

shows the importance for the

scholar of the Dissenting

regionalism. The birthplaces

and backgrounds of the Brontës,

Mrs Gaskell, Hardy, and Mark

Rutherford inevitably con-

ditioned their tales, and nowhere

more than when they were deal-

ing with Dissenters. The

examining the works of these

writers, and of George Eliot,

Dickens, and Mrs Oliphant, he

shows them in a new light. It

is rightly concentrated on the

single aspect of his study. It

does often illumine the whole.

Dickens he sees as having a

"clamant unreasonableness about

Nonconformity". But then,

"everything tended to become

a joke in his fiction". For

spiritual and experiential truth

about Dissenters we must read

George Eliot. "No great English

novelists" has got closer than

George Eliot to the heart of the

Dissenting matter.

Yet even she, for one reason

or another, could misrepres-

ent, or misrepresent, the

Methodist doctrine of repen-

tance based on confession. In

Adam Bede Henry Sorrel's re-

pentance may have been a politic

concession to the reader (both

Hardy and Dickens could be

equally weak), but as Mr Cun-

ningham observes, "there is

little in Henry's repentance that

would have given substance to a

Methodist sermon". He con-

trasts the fictional scene vividly

with what actually happened

when Mary Vane, on whose

tragedy *Adam Bede* was based,

was led to execution; her

euphoria on the way to the

gallows, her exhortations to the

crowd to take warning by her,

her joy at the moment of death.

These were the real fruits of

conversion. But this is a small

smudge on *Adam Bede's* right

to be seen as "the first truly

Methodist novel". It was pub-

lished in 1859, an *annus mir-*

bilis which also saw the first

appearance of *On Liberty*, *The**Origin of Species*, *The Oxford**Dictionary of English Literature*, and*Richard Wagner's* *Die**Ring des Nibelungen*. *Idylls of the**King, Rab and his**Friends*, and *A Tale of Two**Cities*.

Mr Cunningham heads his

chapter on William Hale White

with *There is a Revolution in**Tanner's Lane*. A life-long

admirer of "Mark Rutherford's

(and of his even more remark-

able father) can sense here some

mixed feelings. White may

have been prejudiced by his

exposure as a student from the

Congressional New College for

the cause of his "modernism",

but he was sincere as a novelist,

Dissent, according to his lights,

as any there has been. *The**Revolution in Tanner's Lane* is

in any case a broken-backed

book. *The Autobiography, The**Deliverance*, and many of his

other writings breathe a natural

air of Dissent. He was brought

up in it. He sought to be honest

about it. And his denial that

John Broad was a portrait of

himself should be accepted.

It must be added that Mr Cun-

ningham's study of Mrs Gaskell

as one of the Victorian novelists

is excellent.

William Haley

The Thursday Books Page: Michael Ratcliffe reviews new books on Mahler.

CINEMAS

WARNER WEST END

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Anniversaries in 1976

The year of Constable, Adenauer and Casals

1176 The assize of Northampton
1766 Alexander Selkirk, Scot-
tish sailor, prototype of
"Robinson Crusoe", born
1876 *Adventures of Tom Sawyer*,
by Mark Twain, pub-
lished

JANUARY
5 Konrad Adenauer, Chancellor
of Western Germany, 1949-63,
born 1876
8 *Common Sense*, by Thomas
Paine, published, 1776
10 Albert Mansbridge, founder
of the Workers' Educational
Association, born 1876
12 Jack London, American
writer, born 1876
Ermanno Wolf-Ferrari, Italian
composer, born 1876
14 Francesco Cavalli, Italian
composer, died 1776
19 Hans Sachs, German poet,
dramatist and master singer,
died 1576
24 Ernst Theodor Hoffmann,
German writer, composer and
cartoonist, born 1876

FEBRUARY
Sir Muhammad Iqbal, Urdu
philosopher and poet, born
1876
1 John Forster, biographer and
journalist, died 1876
2 Francis Hayman, painter, died
1776
6 Henry George Bly, co-
owner of *Cromwell*, 1899-47,
born 1876
10 Johan August Söderman,
Swedish composer, died 1876
16 George Macaulay Trevelyan,
historian, born 1876
17 Publication of the first
volume of Gibbon's *Decline
and Fall of the Roman Em-
pire*, 1776
28 John A. Carpenter, American
composer, born 1876

MARCH
2 Eugenio Pacelli, Pope Pius
XII 1939-58, born 1876

JULY
1 Mikhail Bakunin, Russian
anarchist, died 1876
4 The Declaration of Independ-
ence was approved at Phila-
delphia, 1776
11 The Inquest on Charles
Bravo of Balham was re-
opened: it found that he had
been poisoned by persons un-
known, 1876
16 Marquis de Brinvilliers,
French poisoner, executed,
1676
Edward Joseph Dent, musical
scholar, born, 1876



Landscape with figures: Adenauer and Casals in Constable country.

AUGUST
12 The emigrant ship *Great
Queensland*, with a cargo of
gunpowder, exploded off
Cape Finisterre; all on board,
nearly 600 people, lost their
lives, 1876
13 The first Bayreuth Festival,
with the first performance of
the entire cycle of *The Ring
of the Nibelung*, 1876
23 The Western empire fell
with the deposing of the
Emperor Romulus and the
proclamation of the barbarian

SEPTEMBER
5 Gladstone's pamphlet, *The
Bulgarian Horrors and the
Question of the East*, pub-
lished; it sold 40,000 copies
in four days, 1876
7 Bernard Darwin, golfer and
writer, born, 1876
18 Daniel Defoe, by George
Eliot, published, 1876

OCTOBER
20 Christopher Gibbons, com-
poser, died, 1876
25 Alfred Wainwright Young,
mountaineer, born 1876

NOVEMBER
8 Henry Phillips, musician and
actor, died, 1876
14 Benjamin Hooley, Bishop of
Winchester, born 1876
23 Maude Royden, preacher,
born 1876
Manuel de Falla, Spanish
composer, born 1876

DECEMBER
7 William Caxton set up his
press at Westminster, 1476
Willa Cather, American novel-
ist, born 1876
25 Mahomed Ali Jinnah, first
Governor-General of Pakistan,
born 1876
29 Pablo Casals, cellist, born
1876

Lord Chalfont

Angola: The West must act before it is too late

'One issue on which it should not be too difficult for the EEC to adopt a common policy'

When, in the course of political debate, someone announces that he is about to "clarify the issues" it is often the prelude to an essay in impenetrable obfuscation. A notable example of this appeared last Tuesday in the correspondence columns of *The Times* in the form of a long and circumstantial letter on the subject of Angola. As it was signed by a Roman Catholic priest writing from a disarming respectable academic address in Cambridge, it may have come as a surprise to some of the more ingenious readers of this newspaper to discover that it was in effect almost undiluted Marxist propaganda.

After a series of confident assertions, many of which betrayed a tenuous acquaintance with the facts, Father Hastings advanced the very significant proposition that "the least disastrous way out of this ghastly mess is immediate American and South African withdrawal from the continent and a rapid victory for the MPLA."

Now I do not intend here to refute Father Hastings's arguments point by point; still less do I presume to "clarify the issues" in this preface to a movement which is, as he concedes, Marxist in ideology, anti-Christian and hostile to the West. A brief objective analysis might be in order.

Comparisons between Angola and the Congo are inevitable, and it is true that the Portuguese have left their former colony with virtually nothing in the way of administrative infrastructure. Anybody who seeks to understand or to describe the political and military conflict which has followed their withdrawal must first recognize that, as in most political situations in Africa, tribalism is a crucial factor.

Of the guerrilla movements which fought against the Portuguese and are now fighting each other for political supremacy the Marxist MPLA is essentially a derelict movement with no base in urban Luanda. It commands little respect or support outside the immediately surrounding area.

UNITA, on the other hand, can rely on the support of the Mbundu and Ovimbundu tribal groups of central and southern Angola comprising half the country's population. Its leadership is drawn from all over Angola—the President, Jonas Savimbi, is an Ovimbundu and the secretary-general, Miguel M'buza, is a Mbundu. UNITA is, by contrast, narrowly based on one tribe—the Kikongo. UNITA has, incidentally, repeatedly called for free elections to decide upon a future government for the whole of the country, indicating a certain confidence in the degree of popular support which it enjoys. This is, however, a proposal which has predictably little appeal for the MPLA.

I mention these matters not primarily to clarify the issues, but rather to show that any simple factional split to suggest that the MPLA is not, as Father Hastings would have us believe, the natural heir to political power in Angola. There will be, inevitably, a long and fierce struggle for power, but the matter is resolved. My main concern, however, is to suggest that the principal danger is not that Angola will become another Congo, as bitter a fate as that might be for its people, but rather that it will become another Vietnam, with the very real possibility of a direct clash between the United States and the Soviet Union—and the involvement of China by no means out of the question.

Against this background it is important not to be misled by assertions of the kind advanced by Father Hastings. In his letter he refers to the resignation of a State Department official in August as being "a sign of war." To this and the government of the United States would be well advised to take concrete steps in using the available machinery of NATO.

Julian Critchley

The author is Conservative MP for Aldershot, and Chairman of the Defence and Armaments Committee of the Western European Union Assembly.

The sad condition of Britain is a management problem

Bryan Magee

In an article in *The Times* on December 8, I pointed to the fact that British management is notorious abroad for precisely those shortcomings which in Britain are commonly ascribed to the unions. Among other things persisting in lazy, old-fashioned and inefficient attitudes, and not devoting themselves responsibly enough to the job, taking more out of the firm than they put in, and being influenced by obsolete class considerations. I drew the moral that these are characteristics of the British as a whole and not just of British workers—indeed, that they do more harm to the country in managers than in workers, since management is the key function in the economy.

In recent weeks I have been bombarded with what are meant to be alibis, some of them from well-known and respected management figures. These alibis differ, and some are incompatible with each other. But the most persuasive—because it contains the largest element of truth—is well worth consideration. It goes as follows.

For two decades, now, Britain's industrial performance has been poor. For most of that time the chief reason was that the large-scale investment called for by modern development could not be raised out of a small and almost static home market such as ours, and therefore, being unable to pay for itself, did not take place. In consequence the overvalued pound of industry has been kept in the European Community: membership of a large, buoyant and expanding market would make possible the modernization of industry home, followed by domestic expansion and prosperity.

However, now that we are in this market we find ourselves unable to supply it. This is because of two developments which have coincided with our period of membership. The first is that the proportion of the gross national product which is taken up by public spending leapt from 49.4 per cent in 1971 to 56.2 per cent in 1974. This sum has to be raised largely by taxation, most of which must inevitably be borne, one way or another, by the chief wealth-producing sector of society, namely industry. In other words the Government is appropriating what ought to be the investment capital, and

per cent more per worker than our *in spite of a lower rate of post-tax profitability* knocks the bottom out of the argument that the Labour Government's taxes are responsible for inadequate investment. The Heath Government offered private industry an unprecedented range of subsidies, grants, rebates and other direct inducements to invest, and became increasingly non-plussed at the continuing lack of response. Income tax was raised in favour of the better off, but that did not have the desired effect either.

The failure to invest has been constant—therefore it cannot be due to wicked socialist policies. It certainly cannot be said to be due now to lack of funds around in industry and the banking system. Furthermore the proportion of personal incomes which are being saved has soared to 14 per cent, and even now the public sector, including local authorities, have been filled almost entirely by promotion, and it is only much lower down that appreciable numbers of new people have been taken on. The private sector has fished scarcely any top management from productive industry.

The argument about talent is as faulty as the argument about funds. Points at the higher salary level in the public sector, including local authorities, have been filled almost entirely by promotion, and it is only much lower down that appreciable numbers of new people have been taken on. The private sector has fished scarcely any top management from productive industry.

Management is really at its old game of blaming everyone else for its own shortcomings. The truth of the matter is that what British industry is suffering from more than anything else is bad management. Management which, as I began by saying, is notorious throughout the world. The most dangerous thing about even management's own policy is that it is not a policy at all. It is a series of ad hoc decisions which are taken on the spot, and which are not subject to any kind of review. The trouble with management's alibi is that it leaves too much out of account. The fact that German industry invests 50

per cent more per worker than our *in spite of a lower rate of post-tax profitability* knocks the bottom out of the argument that the Labour Government's taxes are responsible for inadequate investment. The Heath Government offered private industry an unprecedented range of subsidies, grants, rebates and other direct inducements to invest, and became increasingly non-plussed at the continuing lack of response. Income tax was raised in favour of the better off, but that did not have the desired effect either.

How Nato could help the world with disaster relief

The press and television pay much attention to "natural disasters". This is hardly surprising, since major calamities such as earthquakes, cyclones, floods, fires and so on occur regularly. Since the dawn of history, mankind has sought to dominate nature, and particularly in the past century vast progress has been made. But the forces of nature both by prevention (dikes, canals, fire control measures, etc) and by early warning (cyclones, earthquakes, etc) can be predicted and appropriate measures can be taken in time.

Nature has no regard for political frontiers, and in consequence, nearly all actions, both for preventing natural disasters as well as for providing relief, are international actions. For example, action by France and Germany to regulate the waters of the Rhine avoids flooding in Holland; the meteorological stations of different nations give early warning of cyclones, the victims of earthquakes and floods are the object of relief by many nations; the drought and consequent famine suffered by the nations of the Sahara gave rise to an aid programme of international proportions, of which the western world, and more particularly Nato member countries, contributed the major share.

Yet, in spite of the international character of the preventive and relief measures being self-evident, most nations cling to the concept of bilateral rather than multinational action, particularly in the case of disaster relief. It is a result of the belief that the "good deeds" should receive their reward in this life rather than the next. Or is it because of the ingrained attitude of governments whereby political or economic advantages must accrue to the "donor" country? Or can it be attributed to the simple fact that international mechanisms for the coordination of the information and of the subsequent assistance are not trusted, little known, or ignored?

Some of the international bodies are well known: Red Cross, various UN agencies, CARE, Oxfam, etc. Others are little known and, more particularly, their potential is ignored.

A case in point is Nato. In signing the North Atlantic Treaty, and in particular its Article 2, the members of the Alliance undertook to the other in all fields, not only that of defence. This is in keeping with the doctrine that political solidarity enhances security as much as integrated military forces. Nato has done much in respect of the latter, but one must ask what better concrete demonstration of solidarity could be given by Nato countries coming to each other's assistance in cases of major natural disasters. Furthermore, by coordinating their relief programmes they would make their aid more effective for the beneficiaries, as well as more cost-effective for the donors.

Nato is equipped with an excellent integrated communications system, with radio in each capital and its "switchboard" at Nato headquarters. The military headquarters are similarly connected with their subordinate commands, and the defence ministries in capitals. What better channel could be found for a stricken country to inform its allies of the nature of the disaster, and the quantity and quality of the relief it needs?

Appropriate committees and staffs are permanently in being in Brussels; what better mechanism could be found by the donor countries for evaluating the nature of the aid required, and for informing one another of the relief they can make available? Transport, medicines, food, shelter, water purification and earth-moving equipment, all in varying degrees, may be required and need sorting out. Each donor country contributing its share to the total package and costly duplication of effort would be avoided. Strangely enough, this existing mechanism is seldom used by the Nato nations who, in cases of disaster relief prefer other "ad hoc" and less cost-effective channels.

Nor would participation in such a joint effort diminish the prestige of the donors, who would hope to accrue to them when acting unilaterally. On the contrary, the added demonstration of solidarity, and the added value of efficient coordinated assistance, would result in greater merit for all concerned.

Nato's role should not be limited to "consultation" with a view to avoiding duplication of effort. If Nato nations have been willing to commit themselves to a joint integrated defence under an "international" Nato command in case of crisis or war, it should not be asking too much of them to earmark a small contingent of specialized personnel with its specialized equipment, who could be jointly deployed as a "Nato Disaster Relief Force," to provide shelter, food, medical aid and other humanitarian assistance at the request of an allied government stricken by a major disaster.

In all western countries, such personnel and equipment is already permanently on hand and therefore no extra costs would be incurred. Rather by acting jointly, its deployment would be more cost effective. Furthermore to use the existing mechanism for the coordination of data and to use jointly the readily available men and material for practical action would give added meaning to Nato, which as its charter states is more than a defensive military alliance.

For 27 years the members of the Alliance have taken it for granted that their citizens could be called upon to fight, and if necessary die, for each other. Should they not equally be called upon to assist each other in case of disasters other than war?

Youth, in particular, would applaud such an initiative, and would willingly contribute to it. Those populations who are victims of disaster would welcome the tangible evidence that the Alliance is mindful of their suffering, and is an instrument for saving them from the consequences of natural disasters as well as from those of war. To this and the government of the Nato countries would be well advised to take concrete steps in using the available machinery of Nato.

Julian Critchley

The author is Conservative MP for Aldershot, and Chairman of the Defence and Armaments Committee of the Western European Union Assembly.

The Times Diary

Simpligessverk's bargain basement

P. H. Simpligessverk, my man in Oxford Street, has been to the January sales in search of poignant year-end bargains. His reports:

First stop was Snow Whites of Soho, who specialize in sporting goods. Here I noted a useful reduction in size of the type used by President Ford. His experience with them is not, admittedly, encouraging, but the makers say that anyone who is not running for President, and can thus afford to look foolish, would find them a good bargain. Also a large number of cut-price football shirts, with the England insignia, made for our appearance in the European Cup final.

For the squeamish, a massive purchase of *hats*, ordered by the chief buyer when it seemed everyone was digging in for the holocaust, but hard to sell at the full price now that forecasts of doom have become unfashionable. Also in the men's headwear department a small number of improbable hats, most with built-in green eyeshades, used once

only for throwing into the ring by contenders for the editorship of *The Guardian* and *The Observer*.

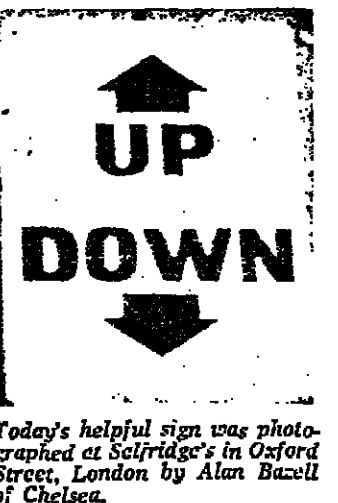
On to Waiting and Sorrow of Mayfair, where the best buys are in the furnishing departments. There is a fine variety of barely used *pay beds* from some of our best hospitals. And there are a number of interesting *chairs*—the separate one which Britain will not now occupy at the oil talks, the seat removed from under Reg Prentice when he stood up to be counted, and John Stonehouse's seat—though be sure to check that he is not still occupying it before you take it away.

Bunbury's of Piccadilly have some fine bargains in *men's outfits*, especially *trousers*. They have bought an enormous stock of scarcely worn pairs from people who lost theirs—or were caught with them down—during last year. Former owners include Edward Heath, Henry Kissinger, Gough Whitlam, Mike Denness, Eric Heffer, Judith Hart, John Stonehouse.

Reg Prentice, Tony Benn, Arthur Scargill, Yakuho Gown, Bishop Muzorewa, Jim Slater, James Schlesinger and others, including some rather low quality specimens from citizens who booked their New Year holidays. Best value are perhaps the trousers of MPs caught with them down during the experiments in broadcasting the House of Commons.

The audio department of Harrodians in Belgrave has another memento of Commons broadcasting—the entire sets of equipment used in the experiments. These are unlikely to be needed in the future because of objections from the very trouserless ones mentioned above. The same store's noted food department has a few cheap *lame ducks*—but be early for these, because the chief policy now is to push them up and pass them off as perfect specimens. As always, there is also a supply of that gourmet delicacy, *Brussels Pride*—the tastiest this year coming from Home Office civil servants who suffered a bad defeat in the great TV licence row.

Salvages of Marylebone have in their stationery department some extraordinarily cheap old diaries published by most of the popular newspapers, some with matching *writs*. Although these are last year's and even earlier, they are a good buy for this year because the names in them are unlikely to change.



Today's helpful sign was photographed at Selfridge's in Oxford Street, London by Alan Baxell of Chelsea.

early for the one gold-plated shovel, made for the ceremonial digging of the Channel Tunnel. And if you are really stuck, Salvages offer 56 gift tokens, which replace their old income policies and which you can spend anywhere you like provided you do not ask for more.

W. H. Snip (branches everywhere) has made a large purchase of old BBC gramophone records which unconsciously failed to sell in the expected quantities at the full price. They include *Readings from the Proceedings* by John Timpon; *My Hundred Worst Puns* by Esther Rantzen; *Just How Serious?* a collection of the most impenetrable economic analyses by Dominick Harrod; and *Robert and Kenneth Robinson Tell you how Dreadful Evergreen Blue is*.

In Snip's have bought thousands of Vietnamese phrase books, no longer needed by the United States Army. From the same source, in the games section, come sets of dominoes which include the other end of the longer thought smart things to have. And in toys, a number of "Long Kesh" junior wire-cutter outfits. And everywhere, as usual, you will find good supplies of *fortiori* tapes, broken dreams and promises—notably from India and Bangladesh, from supporters of the Scottish

Turkey releases man for Christmas

This instance of a lack of vindictiveness wholly appropriate to the season was reported in the *Walsall Observer*.

Daily News in Glasgow and from former customers of Biba in Kensington High Street. An unusually good year for bargains.

Aiming high
For most of us the annual bout of reckless drinking and over-indulgence has drawn to a weary and flaccid close. But not for the 700 competitors in the British Open Darts Championship, who were still hard at it over the weekend, sinking an estimated 10,000 pints of bitter

between throws. Darts, being essentially a pub game, cannot be properly conducted in an atmosphere of monastic sobriety.

For the culmination of the two-day event, sponsored appropriately by a big brewer and more mysteriously by British Rail, competitors and spectators crammed into the ballroom of a London hotel yesterday to watch the final rounds played on the stage, aided by a giant electronic scoreboard to keep the scores and a special licence to keep the bar open. No competitor could mount the rostrum for his game unless accompanied by a pint glass.

But the audience was a model of good behaviour. In spite of wild cheering and throwing of papers in the air to greet a good throw or a popular win, they subsided into total silence during the actual throwing of darts. They take it very seriously, you know, said Oly Croft, secretary of the British Darts Organization, who is trying to set up a World Darts Federation and a new world championship. All the present international titles are held by Welshmen, but challengers had come to the contest from Sweden, South Africa, Canada and Belgium.

Croft said that Britain now has about a dozen full-time professional darts players who can earn up to £20,000 a year in

championships and exhibition matches. Two who played yesterday, Alan Evans and Alan Clarke—last year's winner and runner-up—were knocked out in the qualifying rounds by amateurs.

It is now illegal for darts to be played only by men. The one woman competitor in the singles championships, Cath Wardell from Birmingham, played a brilliant qualifying round on Saturday, demolishing a male opponent in one game in a mere 18 throws from 501, finishing with a 20 and double 16. But she was beaten in the next round.

"I took it up five years ago because my husband was always down at the pub playing," she said. "Now we have a dart board at home and I have won the Cleveland County Ladies Open. I have even beaten my husband a couple of times."

My award for the most baffling news item of 1975 goes to the *Indian Express* for its report from Nagpur: "Urban Development Minister Rafiq Zaidi told the Legislative Council yesterday during question hour that the municipalities still permit the practice of carrying dead soil on head-would not get any share in the entertainment tax."

PHS



— *Journal of the American Medical Association*, 1997

One plausible explanation is that these onlookers are simply waiting to see whether the Buckingham experiment will be

African independence has never conferred on African states the same ability to lean West or East in accordance with local interests, and always without getting unduly subservient to superpower politics. The ex-colonial African states were mostly smaller and weaker than the Asian states—more dependent on the big powers, and less than on the EEC for economic help. The real difference between the African and Asian experience, however, has been the presence of the white racial régimes, to whose ultimate overthrow African politics must be dedicated. Because these régimes

It cannot be in Africa's interest to have its political problems solved by foreigners, its wars decided by foreign arms, its racial struggle taken over as a position to be won for a greater revolutionary purpose. It makes nonsense of the doctrine of pan-Africanism, it makes Africa an ideological colony.

Practical statistics from one substantial operator of both road and rail services are published each year and make the point. London Transport operates annually virtually the same number of passenger miles by bus and by train, albeit over short distances. Experience shows that for one exclusive track or bus-lane with passing bays at stops) the sustained practical transport capacity is some 120 buses an hour at

Mr. Father Hastings' neo Marxist apology for the MPLA in Angola must really be answered as it is *shot through with inaccuracies*. As one who has visited Angola on a number of occasions in the past fifteen years I can tell him that the dominant factor in that country, as indeed in most of Africa, is not ideology but tribalism. As he says, the FNLA are an Bakongo movement, the MPLA are an Ovimbundu

Yours faithfully,
ERIC LYONS, President, Royal
Institute of British Architects,
66 Portland Place, W1,
January. 2.

An analysis of the figures for 1975 shows that there were 4,277 births announced in *The Times* (2,238 boys and 2,039 girls). This compares with 4,832 in 1974, no doubt reflecting a declining birth-rate. The following summary shows

The MPLA were formed in 1956, five years after the FNLA (then called the UPA). Their first action was to cause a riot in Luanda in 1961, but this was easily suppressed. A short time later the FNLA invaded from the Congo and the Bakongo rose in the North. In 1965 the MPLA attacked the small Cabinda enclave, but even failed in this attempt and later transferred their attentions to south east Angola where they were equally unsuccessful. They have always been

Yours faithfully,
PATRICK WALL,
House of Commons.
December 31.

"In Canada everyone is looking at me and saying 'I want that bastard's job'. Well, they are not going to get it but I like them to

Yours sincerely,
KENNETH TYNAN.
10 Thurloe Square, SW7.
January 2

Despite the gloom
From Mr Melvyn Bragg
Sir, This time last year I wrote you a letter which predicted that despite the consistently gloomy forecasts of well informed commentators, Radicals would win the

genre of fiction—though the plots are too predictable, the characters too lasting in sympathy to engage us for long. We could ignore them—but that would be foolish, as they are expert and we want to know what they know.

Perhaps the best solution would be to grade them. Every year end a mark could be awarded for accuracy and this mark appended to every by-line for the following

December 30.

Paying around
from Dr. A. D. Walker
Dr. January is the time for pay

Water rates to Hatfield (Herts)
General rates to Saffron Walden (Essex)
Electricity a/c to Ipswich (Suffolk)
Telephone a/c to Cambridge

Actualy in Essex
January 1.

[illegible]

One plausible explanation is that these onlookers are simply waiting to see whether the Buckingham experiment will be

However, a more pessimistic explanation is also possible. It has been argued that higher education has become such a complex and costly business that it is beyond the capacity of private philanthropy to sustain. Even in the United States, where a deep tradition of philanthropy, generous tax laws, the prestige of independent universities, such as Harvard and Stanford, and, of course, great national wealth have created a climate

To argue that there should be no room in British higher education for an experiment with independence such as that at Buckingham would be doctrinaire. To suggest that there will be no room for a single independent university would be to carry pessimistic determinism too far. However, to hope that the University College at Buckingham can act as a spark to light a renaissance of private enterprise in higher education would be to hope too much. Nineteen seventy-six is hardly an auspicious year in which to found a new university. The economic climate, with its combination of inflation and austerity and the social climate which is less favourable to higher education as a whole are indiscriminate scourges of the ambitions of all universities, public or private.

Electric rail traction can and surely will become steadily less dependent upon oil as other forms of electricity generation are brought into use. The use of fossil fuels in the promise of sodium-sulphur batteries for buses (liquid hydrogen is hardly suitable) many years must pass before road transport becomes other than wholly dependent upon fossil fuels.

The fact remains that each form of transport has its particular part to play. For passenger journeys public road services are clearly the most convenient and suitable for very short distances at high frequencies, for express buses and, for longer distances, for rail. At low densities of traffic at modest speeds, Rail services are unrivalled for high density, high peak, suburban services (overground and underground) and for short, inter-city routes. Beyond 350 miles per hour, the picture is increasingly coming into the picture.

The lesson is that, if there were only electric rail, or only diesel road services today, the invention of the other would be hailed as filling an important gap in the transport system. Both are made cheaper and better adapted to its particular role. Both are needed in the public service.

And then, at the height of the argument, he makes the wholly uncharacteristic confession that having been warned that the Hall would not be available unless he accepted this "unwarrantable intrusion", he (and presumably Klemmner, Giuliani, Scolti, Szell, etc) was obliged to give way.

One sentence in Mr Lee's confessionally interested me particularly in providing a key to an understanding of his present discontents: "... a great performance of a masterpiece has always been more important to me than the world premiere of a 'novel'". Audiences by and large will no doubt share his view (as, for my sins, do

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ing of the important lessons con-

Parliament will have flooded rough Parliament, with only a few cches and delays. Mr Wilson looks safe that every Opposition politician has to reckon with the possibility that he will be able to a full scale military term, if it should suit his country. "Harrold," y "will have been a bit of an exhausted before he surrenders boon of being Prime Minister the Queen's jubilee in June, 1977, l the chance of winning a general zation in the following October." short, Mr Wilson, though oretically hopelessly outnumbered in every Commons division, far keeps a grasp of the Prime isctor's most precious prize, the eace the next election date. (eanwhile, Opposition frustration eases, and the new year opens i a determination to sharpen party conflict in and outside iament. The reasons are plain e. Mrs Thatcher, the new r, is not content with her blished, with no questioning of r, or her quality. She is

The by-elections are caused by the death of Mr Maurice Edelman, Coventry North-West (Lab majority 3,488); the move to the House of Lords by Mr Robert Carr, Sutton, Cheshire (Con majority 3,698); and the expected retirement of the Speaker, Mr Selwyn Lloyd, Wirral (Con majority 13,488). There are also two Labour MPs in ill health who may soon retire.

It would be psychologically significant if in these or any other by-elections this spring and summer, Mrs Thatcher could show that under her leadership Labour support is falling below the level of the Liberal

Nor will anything cut those majorities until Liberals, Ulster Unionists, Scottish National Party, and Flax, Cymru, and common cause with the Conservatives; and make common cause not only on a particular Bill or question but also on the equality of advantage in forcing a general election.

At the beginning of 1976 Conservative leaders face the parliamentary realities. Liberals and Ulster Unionists are not yet ready to join forces with them in precipitating a general election, and the

On arrival at Cape Town on December 13 he was refused entry into South Africa and escorted by security police to be placed on the first plane to London. No reasons were given, but he was handed a Prohibition Notice signed on behalf

As the Government has said clearly in the House of Commons, direct elections are a Community treaty obligation; and it would surely try the patience of our allies to breaking point if we were to vote on whether to honour *part* of a treaty a year or so after we had voted in favour of honouring the treaty as a whole.

Labour Government, which must indicate that Socialism has more to be said for it than Lord Thomson supposes.

Yours sincerely,
KENNETH TYNAN.
10 Thurloe Square, SW7.
January 2

...it is also the system for
...Perhaps our lords and
...in Whitehall could receive
...1976 to sort out the present
...geographical chaos in civil
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Modest targets
in Russia's
five-year
plan, page 14

Trade unions
in an
organizational
dilemma, page 15

PLA wants limit on borrowing raised after a big loss last year

By Peter Hill, Industrial Correspondent

Government approval for a big rise in borrowing limits is being sought by the Port of London Authority in the wake of a loss last year.

The PLA apparently wants the Government to approve an increase in its overdraft facilities involving several million pounds. Its existing limits, set in 1968, are now inadequate to meet its needs.

Ministers and officials at the department of the Environment are considering the matter in the light of the PLA's worsening cash flow and liquidity problems during the past six months. It will be some weeks before the PLA tabulates the full scale of the loss made last year, but it will be substantial. In October weekly losses were running at about £200,000 and, although there was some slight improvement towards the year end, annual losses could be £5m.

The authority lost around £1m of revenue and 1.5 million tons of cargo during the six weeks dock strike in the first quarter of the year, and overall traffic through the port is expected to be down by about 10 per cent on a year earlier as a result of the world trade recession.

Difficulties arising from the fall in the volume of trade have been compounded by difficulties in raising funds to replace redundancy payments among its own staff, here top payments can be as high as £15,000, and among garrisoned dock workers where redundancy payments average about £5,000. Financing these payments will continue to be a

big drain on resources because there is still heavy overmanning in the docks.

While not a nationalized body, the PLA is required by Act of Parliament to break even financially. It has also been hit by the Community Land Act which requires it to dispose of surplus dockland at prices which relate to its existing use, and therefore much less than it could have expected some time ago.

The main sources of its funds are loans made for specific projects under the Harbours Act. After the last loan, the Government set up a monitoring committee made up of representatives of the Department of the Environment, the PLA and the National Ports Council to oversee the authority's financial management.

Methods of improving the liquidity position have been under discussion for some weeks in the light of the dismal performance last year and the difficulties foreseen for this year.

In 1974 it recorded a profit of £33,000, a big fall on the profit of £1,723m the previous year, but both are regarded as inadequate when related to the capital employed.

A spokesman for the PLA said last night: "We would hope for a decision very quickly—certainly in a matter of weeks—and we are talking here of an increase of several million pounds."

"We have no choice but to continue to run down our staff and dock labour levels during 1976 and, on the present terms, we need the cash to do it."

Brokers predict 12pc inflation by year's end

Unemployment and the pace of payments will be the principal problems facing Government throughout '76 and into next year, the brokers Phillips and Drew say in their latest economic forecast, published today.

Continuing voluntary controls pay cuts, a 10 per cent increase in hourly rates, which wage will push to 10 per cent. The forecast also sees inflation being reduced to 12 per cent or 13 per cent by the end of this year, and to a little over 10 per cent by mid-1977.

Real gross domestic product is expected to rise by nearly 2 per cent in the calendar year and by a little over 3 per cent in the months to mid-1977, it says.

"This growth rate is probably insufficient to prevent further unemployment from reaching the 1.5 million mark, though some reduction in unemployment is possible in early 1977."

The review says the 66 pay it will continue to be effective in most settlements. The look for the intensive January-March bargaining period encouraging, while the rent posture of the Government indicates an extension of many pay control when the

present limit lapses on August 1 this year.

"Our judgment is that a target in the range 5-10 per cent will be announced for the 12 months from mid-1976 to mid-1977. It is likely the norm will consist of a mixture of a flat rate amount plus a percentage increase."

"We are moderately optimistic about the measure of agreement which a norm might achieve in the 1976/77 wage round, if only because unemployment will probably remain high."

"Some drift above the norm is likely as economic activity starts to rise. The review expects the announcement of a target which implies an 8 per cent permitted increase in hourly wage rates; but the brokers expect the actual return to mid-1977 will be about 10 per cent. This figure could prove to be the low point of the current cycle."

"In our balance of payments forecast for the next 18 months to two years, the problems of overseas financing is now the most worrying feature of the economic prospect," the review says. A deficit of about £1,600m is expected in the year, with little if any improvement in early 1977.

Hugh Stephenson, page 14

Adoption grants help redundant building trainees

Measures to rescue redundant trainees in the building industry were announced yesterday by the Construction Industry Training Board.

The plans have been drawn following an offer of more from the Government's Training Services Agency.

Part of the extra cash—amount has yet been decided—will be used to make so-called "adoption grants" to employers who take on redundant trainees.

Similar arrangements are being made for trainees in electrical engineering and mechanical engineering services.

Israel devalues to help balance of payments

Jerusalem, Jan. 4.—Israel last night devalued its currency by nearly 2 per cent to 7.24 Israeli pounds to the US dollar.

The new rate was decided on by a ministerial committee headed by Mr. Yehoshua Rabinowitz, the finance minister to offset the worsening balance of payments situation in the country. It was previously 12.7 to the dollar.

The cabinet has authorized the committee to carry out devaluations of up to 2 per cent, popularly called here "creeping devaluations", at intervals of at least 30 days without its prior consent.—Reuters.

Chrysler set to sign rescue deal today

By R. W. Shakespeare

Chrysler is almost certain to sign the £162m rescue deal with the Government formally today.

The money is urgently needed by the American-owned company to meet its financial commitments and to restructure its plants in the Midlands and Kent. It is also needed to pay the £162m loan, which the state aid Chrysler would have been unable to do either.

The way for the final signing of the agreement was cleared on Saturday when the majority of union and shopfloor representatives from all the Chrysler plants were prepared to accept the rescue deal "in principle".

Chrysler had warned the unions that without acceptance of the plan—and the 8,300 redundancies that go with it—the Government would refuse to hand over any money, with the result that all British operations would cease and about 25,000 jobs would be lost.

Union and shopfloor representatives have made it clear that their acceptance is a reluctant one, and that they will continue to press, in plant level negotiations, for maximum flexibility in the way the cutbacks are made—especially on the question of voluntary rather than compulsory redundancies.

The grim prospect for the workers now, however, is that about 6,500 in the Midlands and Kent will be laid off.

At present the plants are closed for an extended holiday, with many thousands of workers having been laid off since the beginning of December. Chrysler has said that all workers will be recalled before redundancy notices go out.

The engines plant at Stoke, Coventry, is to be reopened on January 12, the Linwood assembly plant the following day and the Ryton, Coventry, assembly plant on January 19.

The bulk of the first 6,500 dismissal notices are likely to be served within a day or two of these reopening dates. The balance of the cuts will be made in June.

Most of the cutbacks will affect Stoke and Ryton—where about 5,000 jobs will go—and Linwood.

Some opposition to the deal has been expressed by a group of 1,000 white collar workers at the two Coventry plants who belong to the Association of Scientific, Technical and Managerial Staffs.

Their representatives voted against acceptance when the 120 shop stewards from all plants took their final decision, immediately before Saturday's meeting with the management.

ASTMS local officials in Coventry have said that they will continue to oppose any redundancies and that their members—mostly foremen and other supervisory grades—will refuse to cooperate with management in carrying out the reorganization plans.

However, without support by the manual workers' unions and shop stewards, it seems unlikely that the supervisors can mount any really effective action to resist the deal, although their threat of militant action remains.

Lowest-paid directors

Paris, Jan. 4.—Executives and technical staff in Britain are the lowest paid compared with those in other industrialized countries, according to a survey published today in the French weekly, *Le Point*.

In Switzerland the average salary for directors is \$41,000 compared with £18,000 in Britain and £22,000 in the United States.—Reuters.

Posers seen in accounting changes

By Andrew Goodrick-Clarke, Financial Editor

Inflation accounting is bound to lead to some "painful" reappraisal of the investment merits of many companies, the influential City Capital Markets Committee has said.

In its first reaction to the recommendations put forward by the committee headed by Sir Francis Sandilands, the committee suggests concessions to some companies during the introductory phase of inflation accounting.

The Sandilands' committee's idea for a current cost system of inflation accounting receives a broad welcome from the City Capital Markets Committee, headed by Mr. Ian Fraser, deputy chairman of Lazard Brothers and a former director-general of the Takeover Panel, sees the report as a "major contribution" towards the development of accounting techniques to deal with the impact of inflation on financial statements.

Already the Sandilands' proposals have been accepted in broad principle by the Government and the Capital Markets Committee wants to see the matter pursued with great urgency.

The aim, the committee says, should be to develop a system of accounting which is soon to be announced, to bring forward a new standard of accounting for inflation combining many of the

recommendations of the Sandilands Report and the proposals of the Consultative Committee of Accountancy Bodies with the minimum of delay.

There may be imperfections at the outset, the committee accepts, but it gives a warning against delay in the hope of obtaining perfection from the start.

It foresees serious problems for some companies, particularly those with high ratios of physical assets, which may see profits not stated in historic cost terms dramatically reduced or even eliminated under inflation accounting.

Management's reaction to this, it says, may be to reduce dividends, try to increase selling prices, or to reduce costs and to postpone capital spending.

Moreover, bankers and other sources of credit could adopt a more cautious attitude towards such companies.

The committee says it is "impossible to disregard the effect which major dividend reductions would have overall". While some private shareholders with high incomes might not regard this as too important, institutional shareholders would be affected. Accountants on income flow and account for more than half of all equity investment, would suffer. So would smaller share-

holders who rely on dividends.

Such investors would put their money elsewhere when they see that these companies face a substantial derating of their share prices, the committee says.

It adds: "Unless adequate steps can be taken to restore profitability such companies will, by so illustrating their 'real' financial position, have restricted their access to the capital market for future years and investment programmes and competitiveness will be reduced."

Because these companies will try to increase selling prices, the committee suggests that price control regulations, if they still exist when inflation accounting is introduced, should be adapted to enable them to increase prices if they are able to do so in competitive terms.

Adoption of the new system is likely to reduce the corporation tax base of manufacturing industry because a reduction in profits will reduce tax liability—while leaving that of the services sector, particularly financial services, unchanged, the committee says.

If the Government tried to preserve the total corporation tax revenue income by switching the burden to, for example, the financial services sector, this would amount to a return to



Mr Ian Fraser: Broad welcome for Sandilands report.

the philosophy underlying the old selective employment tax, and would be a move towards stifling an efficient industry.

Companies adversely affected by the introduction of inflation accounting should be given "every freedom and encouragement" to take the necessary remedial steps over a period of time if needed.

Opec ministers keen to reconvene talks

By Roger Velvove, Energy Correspondent

Influential members of the Organization of Petroleum Exporting Countries are pressing for an early resumption of the meeting that was broken up on December 21 when terrorists raided the organization's Vienna headquarters and took oil ministers and their advisers prisoners.

At the time ministers were discussing relative values of different grades of crude oil and whether some were underpriced.

Although there is a reluctance to hold the resumed meeting at the scene of the attack, many members are anxious to complete the discussions on the differentials.

Alleged undercutting of prices by some members is producing renewed strains on the unity of the organization.

The most likely date for the conference to reconvene is January 26, the date originally scheduled for Opec finance ministers to meet on the organization's aid fund proposals.

Before the December meeting began there had been hopes that the conference would reach a wide-ranging agreement on the price differentials, the premiums customers are pre-

pared to pay for the quality of crude oil such as low sulphur content and high gravity.

But it soon became apparent that the ministers would be asked to settle the dispute that had broken out between Iraq and Kuwait. Iraq was criticized also by Iran and Algeria for pricing its crude oil at between 10 and 40 cents a barrel below its real value in the market place.

The fact that Iraq has managed to maintain its oil output at a time when almost all other Opec members had been forced to make substantial cuts because of the slump in demand was cited as evidence of the cheapness of Iraqi oil.

More definite signals from Opec on the relative values of crudes would make it difficult for members to use the informal guidelines on differentials as the basis for price-cutting.

The most likely result of the resumed talks will be a formula to end the immediate internal squabbles over pricing, without tackling the fundamental problem of how differentials should be fixed to take account of variations in the demand for different types of oil.

Algeria will once again press its own plans for dealing with differentials. This involves an index which would be adjusted every quarter to take account of market factors.

Hopes of speeding up Court Line refunds

By Patricia Tisdall

A last-minute response from travel agents involved in winding up Court Line's affairs has eased anxiety about the industry's ability to pay back funds held up pending a settlement. The deadline for agents to declare payments for Court Line holidays which had not been handed over to the liquidator was extended to the end of the year because of a disappointing initial response.

The money, estimated to total about £2m, was held up because of a dispute over whether it belonged to the liquidator or the holidaymaker. As a result, refunds to about 40,000 Court Line clients who had paid for but not taken their holidays, were delayed.

A compromise solution agreed by the Government's Air Travel Reserve Fund Agency, the Association of British Travel Agents and the liquidators was to send the money to independent stake holders. As soon as the agent remitted to that pool, his clients would be reimbursed as quickly as possible.

By the original deadline of November 25, only about half the funds expected had arrived, and there was concern that the remaining agents would be unable to pay up.

After repeated warnings by ABTA, however, more declara-

tions were received, and by the final date of December 31 it was estimated that statements from only about 30 companies had not been received.

At a meeting tomorrow the three bodies involved are to review the situation. One of the difficulties apparently has been that several agents failed to realize that nil returns were required.

The remainder are threatened with sanctions by the Retail Agents Council of the ABTA, the nature of which will be discussed at tomorrow's meeting. Clients of these agents will still be able to obtain rebates from the government fund but they may have to make individual claims to do so.

It is still hoped that most outstanding repayments will be completed during the next two months.

More than £3.4m has already been paid out to disappointed Court Line holidaymakers. Of this the bond for the Clarksons Holidays subsidiary produced about £1.13m for 24,000 customers. Halcyon Holidays' bond of £674,000 has been divided among 7,000 clients.

Also, the Air Travel Reserve Fund Agency has paid about £1.09m to 26,700 Clarksons clients, about £192,000 to 2,800 Halcyon clients and about £117,000 to 6,500 customers of the Airfair travel subsidiary.

Mr Steel to head BP Oil



Mr David Steel (left) the new chairman of British Petroleum, will also take the chair at one of the company's largest and most prestigious events, the BP Oil Awards.

Since January 1, BP Oil has been responsible for all the oil distribution and marketing operations formerly under the control of the now defunct Shell-Mex and BP Oil also has overall control of the group's refineries in the United Kingdom.

Mr Alan Robertson, who as chief executive and managing director of BP Oil has secured a subsidiary through the transition period, will retire at the end of the month and will be succeeded by Mr Denis Milne.

Mr Christopher Laidlau, a managing director of BP Oil, will be replaced by Mr Derek Cuthbert (manufacturing and supply); Mr Peter Gibson (personnel and administration); Mr Ted Harris (finance) and Mr John Riddell-Webster (marketing).

Third World strives for united energy policy

Paris, Jan. 4.—Representatives of 19 Third World nations, including eight major oil producers, meet here tomorrow to draw up a common strategy for talks with the industrial world on energy and other critical economic problems.

It will be the first meeting of the 19 since they reached agreement with the industrial nations in Paris last month on setting up four negotiating commissions to tackle the world's most troublesome economic issues.

The commissions, scheduled to start work on February 11, will deal with energy, raw materials, development and related financial problems. Their work will mark the real beginning of the consumer-producer dialogue.

But the Third World nations have to settle their own differences before they can engage in commission bargaining. These they will try to resolve tomorrow.

Their main problem hinges on guidelines for the commissions. Algeria wants rigid mandates to ensure that Third World countries can discuss the issues they consider most essential.

Saudi Arabia, Iran and Brazil are believed anxious to avoid a tough political stand on guidelines. Industrial nations also want to keep commission agendas flexible.—Reuters.

Egypt's curbs on capital deter foreign investors

By Derek Harris

Egyptian regulations on repatriation of capital by foreign investors are believed to be a factor holding up a number of major deals that could give the country badly-needed production capacity.

Tax-free zone incentives and other methods so far adopted in Egypt to attract foreign investment have not so far brought any big deals to fruition.

General Motors of America is at an early stage of negotiation, with feasibility studies, on both a commercial vehicle and a passenger car plant. Ford Motor of America has had preliminary talks on a new £20m factory in Egypt.

The latest entrant into negotiations is believed to be International Harvester, the American-based agricultural and earthmoving equipment manufacturer. A plant worth about £15m could be the result.

But some of these deals, including the International Harvester project, are understood to be balked at the moment, largely by Egyptian insistence that original investment capital should not be repatriated eventually. They want foreign companies to take their slice from earnings on exports.

Another factor in negotiations could be the shortage of foreign currency in Egypt. The repatriation problem is believed not to be a difficulty in the delayed British Leyland deal for establishing a Land Rover assembly factory in Egypt. The company expects to submit a revised scheme soon.

But reports that the Egyptian Army may be favouring the buying of American-built Jeeps at least in the early stages—has thrown more doubt on the future of the British Leyland deal. Other British companies, including Chloride Group, the battery makers, and Pilkington, the glass manufacturers, have had discussions.

It has yet to be seen whether some of Egypt's administrative problems may be circumvented by developing the idea of tax-free zones. Part Said is now being seen in the role of a free city.

But, given that the Cairo government last year strengthened the power of local administrations, a free city could easily strain the country's bureaucratic system.

Developing states seek more aid

From Frank Vogl, Washington, Jan. 4

Officials of the World Bank say the least developed countries of Asia, Africa and South America are likely to face a current account balance of payments deficit of \$31,000m in 1976. This compares with a deficit of about \$35,000m in 1975.

This week the developing countries will try to force the rich industrial and oil producing countries to commit themselves to programmes to finance the enormous total deficit of the poor nations.

The occasion will be the meeting in Kingston, Jamaica, of the World Bank-International Monetary Fund ministerial committee on the transfer of real resources to developing countries.

Last year's huge deficit of the developing countries has been financed by aid from international institutions, by national governments and private commercial banks, and by a reduction of about \$5,000m in the total volume of reserves plus IMF credit lines.

This year the developing countries can look forward to only a modestly reduced overall deficit. They will have to finance their imports from reduced reserves, high interest costs and a deteriorating stand-

ing in the private capital markets, officials said.

The sort of demands to be made by the developing countries will be settled when their own committee, known as the Committee of 24, meets in Kingston on Tuesday.

A certain demand will be for the full use of the World Bank's new "third window" for granting low interest loans.

The joint IMF-World Bank development committee agreed last summer to a target of \$1,000m of "third window" loans.

To support such a volume of lending the World Bank would need grants, not loans, of \$225m. So far the bank has received only \$127m of grants, with about half of this supplied by Saudi Arabia, Kuwait and Qatar, and the rest by OECD countries.

The grants so far have enabled the World Bank to plan \$500m of soft loans from the "third window" for the current fiscal year that ends on June 30.

At that is left for the next fiscal year will be loans of \$100m, unless the rich countries agree to give more "third window" grants. The developing countries will be using all their power to get such grant commitments in Jamaica.

Other matters that the de-

veloping countries are likely to press for will be greater technical assistance from international organizations—multilateral rich-nation guarantees of loans from the private capital markets to poor countries—and joint loans by commercial banks and international institutions, such as the World Bank.

A new balance of payments compensating balances scheme, involving increased borrowing rights for countries whose export earnings fall has already been instituted by the fund.

It seems probable that none of these other matters will be firmly resolved in Jamaica. Instead, new working parties may be created to study the proposals.

No dramatic new initiatives are expected from the Americans to bring about new agreements with the developing countries, according to United Nations officials.

Failure to reach firm conclusions could lead some of the developing countries to try to frustrate efforts by the IMF to proceed with general monetary reform.

It could also lead to new militancy by the Third World in the United Nations and in the new commissions established at the Paris "North-South" conference in mid-December.

LLOYDS BANK BASE RATE

Lloyds Bank announces that, with effect from Monday, 5th January, 1976, its Base Rate for lending reduced from 11% to 10%.

The rate of interest allowed on seven-day notice deposit accounts and on Savings Bank accounts is reduced from 7% to 6%.

Lloyds Bank

The Central National Bank of Cleveland, Ohio

wishes to announce that it has closed its London Representative Office with effect from 1st January 1976.

All enquiries regarding business should thereafter be directed to its offices in Cleveland, U.S.A. or Paris.

On other pages

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Lending rate 11 pc

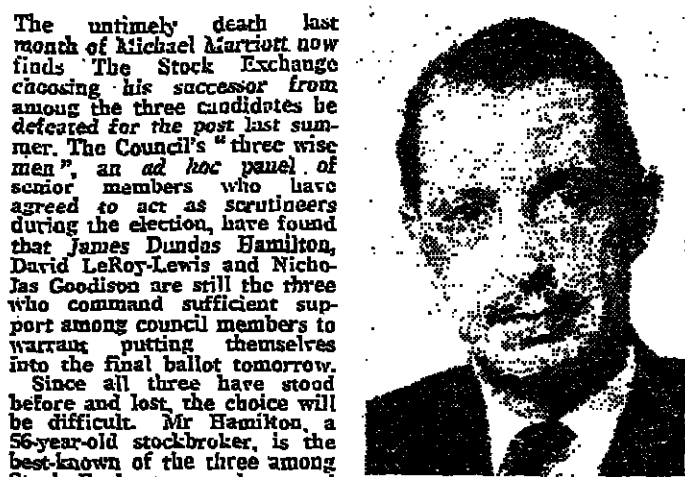
The Bank of England's minimum lending rate will be 11 per cent lower this week at 11 per cent.

The following are the results of Friday's Treasury Bill Tender:

182-day	£1,000m	Accepted	£1,000m
364-day	£1,000m	Accepted	£1,000m
52-week	£1,000m	Accepted	£1,000m
Total	£3,000m	Accepted	£3,000m

BY THE FINANCIAL EDITOR

Balloting at The Stock Exchange



Lord Kinnaird, chairman of Esperanza Trade & Transport: a new acquisition.

The untimely death last month of Michael Harrison, now Lord Kinnaird, has left the Stock Exchange choosing his successor from among the three candidates he defeated for the post last summer. The Council's "three wise men", an ad hoc panel of senior members who have agreed to act as scrutineers during the election, have found that James Dundas Hamilton, David LeRoy-Lewis and Nicholas Goodison are still the three who command sufficient support among council members to warrant putting themselves into the final ballot tomorrow.

Since all three have stood before and lost the choice will be difficult. Mr Hamilton, 56-year-old stockbroker, is the best-known of the three among Stock Exchange members, and was widely expected to win the post. But it is no secret that his occasionally outspoken views have won him disapproval among some council members — and they rather than the membership choose a chairman.

Mr Goodison, another stockbroker, and believed to have been runner-up last time, is only 41, but he has been gaining importance, experience as chairman of the council's membership committee. However, because of his age Mr Goodison would be seen as a long-term chairman, and the council naturally shies from the death of Mr Harrison who was expected to serve for perhaps five years, may not be in the mood for such an appointment. If it is, though, Mr Goodison stands a chance.

Mr LeRoy-Lewis's hopes rest on whether this time the council is willing to overlook what has previously been regarded as a disqualifying factor and elect a jobber. Weekend reports do in fact suggest that Mr LeRoy-Lewis may have his nose just in front at this stage. But whoever wins, preference as a personality may fall on uncommitted council members may well have spent the week-end giving serious thought to whether or not a jobber is suited for the position at this particular juncture.

It might for instance, be argued more powerfully than ever before that what The Stock Exchange needs is a chairman who can relate to the public with the investing public and, therefore that the choice has to be a broker. But while the premise is certainly right, I wonder whether the conclusion does not follow that the Stock Exchange members and their interests too narrowly.

More important, perhaps, might be the consideration of whether or not it is appropriate to have a jobber at the helm of a period when changing patterns in the process of trading are likely to come under increasing debate. But whoever emerges the victor the job is likely to be still more challenging in the second half of the year.

More important, perhaps, might be the consideration of whether or not it is appropriate to have a jobber at the helm of a period when changing patterns in the process of trading are likely to come under increasing debate. But whoever emerges the victor the job is likely to be still more challenging in the second half of the year.

For the colour tube manufacturers, their position has gone

from £22.4m to £30.3m at end September.

On the face of it, the group earned £3.55m on its cash and deposits last year — and it is plain enough that with falling interest rates the return will be falling this time round. However, claims that its highly lucrative United States acquisitions — which have been all but completely financed out of local borrowings — are facilitated by the possession of so liquid a balance sheet; and that the returns on it come as much in such intangibles as management and borrowing status as in hard cash.

Investors are buying for Mr Harrison's entrepreneurial flair and for a policy of investing in the United States which so far has spectacularly paid off: but it is worth noting, too, that the 5.4 per cent yield on the shares at 133p looks one of the safest there is.

Account 1974-75 (1973-74)
Capitalization £82.7m
Net assets £48.4m (£33.2m)
Net cash £9.68m (£5.34m)
Pre-tax profit £12.13m (£10.44m)
Earnings per share 9.8p (9.5p)
Excluding purchase consideration payable £7.2m (£5.9m).

Esperanza

Further away from mining

A £2.48m bid for the insurance business of the Cello-Hanky companies takes Esperanza Trade & Transport a step further from its original role as operator of a dying copper mine on Cyprus.

Rebranded by the Guinness Peer Group and Redwood Investment Trust, which held 20.3 per cent and 15.1 per cent of the equity respectively, Esperanza tagged an international services division onto its mining side in 1970. Since then the company has managed to increase its profits from these services by a staggering 60 per cent a year compound. And in the half year to the end of last September, non-mining income accounted for more than 90 per cent of the £11.2m pre-interest profits.

Despite the 62 per cent jump in profits from international services, however, overall pre-tax profits for the half year are 27 per cent down on the comparable figures for 1974, when a doubled copper price and forward sales of the Cyprus mine's production pushed its contribution to group profits to an exceptional £872,000.

This time the mine chipped in just £114,000. But although the mine, which is now believed to have a productive life of just over five years, is clearly no longer the key to Esperanza's performance, the group will be able to take the benefit of any improvement in the copper price. Moreover, the mine lies outside the Turkish controlled sector of Cyprus and lost only one week's production as a result of the invasion.

Esperanza proposes to pay £1.1m of the £2.48m price for Cello-Hanky in cash, and the balance in shares. The deal will add some £1m of assets to Esperanza's balance sheet; and it should add at least a fifth to group earnings. In 1974 the Cello-Hanky companies produced trading profits of £363,000, and unaudited figures show a half year trading profit of £260,000 to June 1975.

Esperanza's trading spread, both geographically and in the nature of its service operations, has given it a degree of insulation against the slump in international trade. And at 88p, yielding 6.9 per cent, rising to just under 7.6 per cent, presumably a further dividend increase at the final stage, the shares look a good medium-term bet. *Investor 1975-76 (1974-75)*
Capitalization £8.7m
Sales £9.09m (£7.03m)
Pre-tax profit £1.08m (£1.48m)
Dividend gross 2.46p (2.23p)

Nineteen-seventy-five witnessed two political escape tricks of which the great Houdini himself might have been proud. They were that the Government got through the EEC Referendum with a "yes" vote and imposed, in effect, statutory wages policy with only more than a surface tremor.

If one had been looking forward a year ago, one would have said that the Labour Party could be split from top to bottom and the Government fall on either issue.

Almost as remarkable has been the performance of the Chancellor of the Exchequer. He got through 1975 without being forced to relate the economy. At the same time he has played a prominent and crucial role in avoiding substantial import controls. (Only on the issue of the Chrysler rescue package did he elect not to stand up and be counted in favour of a national industrial policy.)

He has given every impression of

having a medium term economic strategy for the period up to the next general election — in 1978 or 1979, and of intending to stick to it. The strategy, put simply, consists of letting a steadily deepening recession squeeze out price inflation for another year, so that it will be safe to allow an upswing to develop from 1977 onwards; all the while regularly asserting that it will be unthinkable for a Labour Government to use high unemployment as a deliberate weapon of economic policy.

The Chancellor is now beginning to work on his fourth small budget. It would be surprising if he changed the formula that he has used successfully in the previous three, namely a budget that can be presented as a few hundred million pounds of fiscal restraint, but which is in effect neutral.

In the second half of this year, however, the more serious question for him, as an ambitious politician and as Chancellor, will be to write a public

script that will get him through the annual autumn conference. The question must then be, however, is the one that remains, "will it still asserting, as if he believed it, that the rate of inflation will be down to single figures by the end of 1976?"

The original target was that the single figure should apply to the measure of price increases, comparing December 1976 with the end of 1975. The hope seems now to have been reduced to one that the going rate of inflation at the end of 1976 will be down to single figures.

One can confidently predict that every conceivable measure to head off the going rate of inflation will be pressed into service as the end of 1976 approaches. But, however it is measured, hats will have to be widely consumed, if the Chancellor in his next new year message, can claim that the target has been reached.

Suppose, however, purely for the purposes of argument, that the rate of inflation has by then come down to 9.9 per cent. It will have done so only on the basis of very general observation of the 55-a-week pay increase limit. The Chancellor can scarcely claim though, that 9.9 per cent is an acceptable rate.

If, for economic and political reasons, he wishes at the same time to allow, or intends directly to stimulate, a return to economic growth, he is almost certain to conclude that this would have to be combined with some continuing incomes policy.

By this July, though, the present incomes policy is likely to be coming under heavy pressure. The anomalies and inflexibilities will by then be such as to make its extension, let alone tightening, objectionable to almost everyone who has to operate it. His great escape act for 1976 will be how to get out of that double straitjacket.

Alec Nove looks at the problems besetting Soviet economic performance

Modest targets in Russia's five-year plan

Neither the Soviet consumer nor the leadership can be happy about the old year or the new, and the five-year plan about to be submitted to the party congress shows that the effects of the very poor harvest of 1975 and of other shortcomings, will not be quickly or easily overcome.

The overall picture can be seen from Table A.

The figure for agriculture would have been much worse if the index related to the year 1973. It is likely that output during that weather-affected year showed hardly any increase at all over 1970: the grain harvest was 26 per cent lower, and while there was an increase in meat output, this was due to slaughtering of livestock for lack of fodder, which is bound to lead to grave problems in the supply of livestock products for the next few years.

The setback in agriculture has an effect also on industrial production, by reducing the flow of agricultural materials to industry (especially the food industry), and in causing a diversion of foreign exchange to the large-scale purchase of grain abroad. Hard currency and gold spent on grain cannot be spent on capital goods, and the industrial growth targets set by the effects of western recession upon Soviet export earnings.

No doubt this helps to explain the very modest growth announced in the annual plan for 1976, which contains the lowest industrial growth targets in living memory. (+4.3 per cent overall, +2.7 per cent for consumers' goods) — though, of course, agriculture is expected to recover.

However, if we examine the data it becomes clear that the bad weather of 1975 is only partially responsible for the decline in growth rates. It had already been clear by 1974 that the five-year plan would be underfulfilled, and that the shortfall would be particularly severe in the case of consumers' goods.

As the table shows, the growth rates projected through 1980 are below the achievements of 1971-75, and a fortiori well below the originally planned rates. The promise to ensure that consumers' goods output would rise faster than that of producers' goods was not kept. This time it has not been made: there has been a return to the "traditionally superior rate of growth of producers' goods."

Two possible reasons suggest themselves. One is the burden of military expenditure; the

other is the impact of shortages and bottlenecks affecting basic industrial materials and — especially — fuels. It so happens that to overcome supply difficulties major investments are required in Siberia, where initial costs are very high. The efforts to improve agricultural production also take a large "bite" (33 per cent in all) of total investment. Yet such is the pressure on resources that the growth in the volume of investment is unusually low. Not much can be spared, in these circumstances, for consumers' goods industries.

Turning now to output targets for particular industries, the following picture emerges (1980 targets are midpoints of ranges):

Fuels (see table)

The fuel situation looks tight. Despite a very rapid expansion in west Siberia, oil output in 1975 was below plan. The whole of the increase projected to 1980 is to come from west Siberia, as is much of the increase in gas. A huge programme of pipeline building is already being implemented.

The increase in oil output (29 per cent over the five years, compared with 10 per cent planned in the previous quinquennium) is too small, given rising demand in the USSR and Eastern Europe, to permit any major expansion of Soviet oil exports to the West.

One notes a limited shift back to solid fuel, with coal used to fire power stations built close to open-cast mining areas in Siberia and the electricity transmitted over very long distances to the consuming areas. There is also a huge ambitious programme of nuclear power station construction.

Metalurgy (see table)

Steel output failed to reach the planned goals, though it grew quite impressively, and again the 1980 target is more modest — a 16 per cent increase over the five years. Absolute figures are never given for non-ferrous metals, but the indices cited show a marked decline in projected growth rates.

Chemicals

The plan for fertilizer was fulfilled in 1975 and the priority accorded to agriculture's needs shows in the growth of nearly 60 per cent envisaged in 1976-80. However, the same cannot be said of the performance of other branches of the

FUELS				
	1970	1975A	1975B	1980
Electricity (mnd kw)	740.9	1065	1055	1380
Oil (incl. condensate) million tons	352.5	505	489	630
Gas (mnd cubic metres)	198	320	285	418
Coal (million tons)	524	695	700	800
A=Original five-year plan target. B=Probable output in 1975.				
METALLURGY				
	1970	1975A	1975B	1980
Steel (million tons)	115.9	148.4	142	165
Rolling mill products (million tons)	80.6	105.3	100	117.5
Aluminium (1970=100)	—	160	—	—
Copper (1970=100)	—	140	—	125
Nickel (1970=100)	—	160	—	—

PERSONAL INCOMES			
	1975A	1975B	1980
Real incomes per capita (1970=100)	131	124	121
Average wages & salaries	124	120	117
Collective farm peasants' pay	104.6	122	125.5
1975A: Original five-year plan target. 1975B: Reported achievement.			

chemical industry: thus plastics, resins and chemical fibres are far behind schedule, though growing.

Machinery, vehicles

Total output of this vast and variegated branch of industry is planned to rise by 50-60 per cent against 70 per cent in the previous quinquennium. This is unevenly distributed between sectors. Thus the plan envisages hardly any increase in output of cars and only about 12 per cent in production of lorries and tractors. One wonders if an expected shortage of oil is a reason for this.

By contrast, great efforts are to be made to improve the quality as well as the quantity of machine tools. Planned increases in chemical machinery (+55 per cent), automation equipment (+70 per cent) and computer technology (+80 per cent), while ambitious, are all below what had been envisaged in the previous quinquennium.

A big rise is intended in machinery for the livestock sector of agriculture. Production of equipment for light industry (textiles, footwear, and the like) fell far behind plan, and in fact the 1980 goal seems slightly below those originally announced for 1975 (and, of course, not reached).

Finally, there is military hardware, on which the plan document is, as usual, totally silent, and which is part of the "machinery" output total. Of course, the greater the share of the military in the output, the less is available for civilian investment and so for economic growth.

Consumer goods industries

Textiles and knitwear output is to rise by upwards of 28 per cent, but the previous plan targets were not reached and it is very doubtful if the new ones will be. The output of consumer durables is to rise by 60 per cent, the same as was actually

achieved in 1971-75 (the plan had specified an increase of 80 per cent). They are produced by literally a dozen or more different ministries, and it is stated that the volume of such items to be made by enterprises within the Defence Industry Ministry is to rise by 90 per cent. This has caused misunderstanding, so let us be clear that the increase refers to consumer durables: nothing is said about the output of military hardware produced by this or any other ministry.

The food industry's targets are modest, for obvious reasons connected with agricultural performance. Thus the quantity of meat which is to be purchased from farms by 1980 is slightly below the quantity which was to have been purchased in 1975, and this is a measure of the length of time needed to rebuild livestock herds after the slaughtering of the present winter, the scale of which is not yet known.

Agriculture

The grain crop in 1971-75 was to have averaged 195 million tons, and even this was not to have sufficed to feed the increased livestock numbers. The appalling 1975 crop (137 million tons) was a disaster. The year average down to 181 million tons. The 1976-80 average is planned at 215-220 million tons. Large investments are to be made in agriculture, in industry serving agriculture and in land improvement.

Cotton-growing has been doing remarkably well, but other crops have not (potatoes and sugar-beet, for instance, have been well below plan). No doubt the agricultural plan can be fulfilled if the weather is very good, as it was in 1973, but under average conditions prospects are more doubtful. Progress in the other branches of the Soviet's inherent inefficiencies are such that it will be at very high cost, representing a major burden to the rest of the economy.

For the record, end to help with identification, it should be known that the county of Cleveland is a horizontal strip of heart-shaped wedge. The vital cleft in the heart is the mouth of the Tees, each bank of which is liberally sprinkled with chemicals, petrochemicals, shipbuilding, and other heavy industry and off-shore oil construction plant.

The recent opening of the Phillips Petroleum-Elofisk oil complex on the north bank of the Tees has, in the view of Stephen Simmons, information officer in the county's industrial promotion division, served to focus attention on Cleveland and Teesside.

It also acted as a catalyst. "It made them aware that opportunities do exist here," he said. "And it seems to have generated inquiries."

Existing companies are doing their best on the investment front. In the past two or three months ICI has announced proposals for a 245m cume plant

The investment plan

As we have already seen, the total in the five years is to rise by 25 per cent (against 41 per cent in the previous quinquennium). We are told that agricultural investment will be increased by 51 per cent, thus increasing its already very large share in the total, and that the volume of housing construction is to remain virtually unchanged, though it is to share in the total. The housing erected in 1971-75, 544 million square metres, against the planned figure of 580 millions. No other data are yet published.

Personal incomes

(see table)

It is noticeable that the 1975 plan was underfulfilled, and the same is likely to be true of 1980. "Stagnant" rates are promised, which means that the inevitable shortages will give rise to queues, empty food counters in non-priority cities, a black market and possibly some civil commotion (especially in 1976).

Foreign trade

The total volume is to rise by 30-35 per cent. Apart from generalities about coordination of plans with Comecon allies, nothing of substance is said. We may be sure that the balance of payments is a source of great concern at present.

Finally, how realistic is this, the tenth five-year plan?

Even though comparatively modest, it can only be fulfilled if there is a large increase in labour productivity (the rise in industrial output by 37 per cent is to be achieved with an increase of less than 4 per cent in the labour force), and if there is much greater efficiency in the use of resources.

There is sharp criticism of delays in completing investment projects, and a warning in adopting new technology. These shortcomings were key causes of the non-fulfilment of the previous plan.

Yet the system that generates these inefficiencies has not been reformed, though, through tighter control and exhortation, to make it work better. The creation of Soviet "corporations" or "associations" (*obshchestva*) is supposed to strengthen middle-level management, but the system of over-centralized system has survived with remarkably little change, so far.

Yet a sense of proportion requires us to remember that our own economy is in a state of severe pruning and that employment and inefficiency cause major inefficiencies, and that the Soviet system faces no absolute decline (except in hard-vest yields in a bad weather-year), but a stagnation in growth, though the accompanying strains and imbalances can cause serious difficulties both for industrial managers and the country, especially in this new year.

Professor Nove is in the Department of International Economics Studies at the University of Glasgow.

Business Diary in Europe: Dutch mark time • Flick's poser

Dutch Premier Joop den Uyl will remain much aloof in the minds of his country's politicians and voters during a short holiday he has taken to recover from the two stages which impeded important Cabinet decisions, in December.

Before he left this weekend, a 40-minute interview with him was broadcast last Friday, which has already been called a "speech to the nation". In a radio interview, den Uyl philosophised about new means of dividing up the spoils of a welfare state.

His proposals include stopping child allowances, both in cash and in the form of tax relief, for those earning over £4,000 a year, and a plan to stop subsidising pension premiums from income before tax. He stated clearly that there is no prospect of any improvement in the power for those earning over £4,000 a year until 1980.

Child allowances are a sensitive point in the Netherlands. The allowance for the first child is £10 a month. Allowances for more children are progressively higher, ending at almost £30 a month for the eighth and subsequent children. Those over 16 still at school get double the dependent's triple allowance up to the age of 27. The same applies to handicapped children who remain dependent on their parents.

Since Dutch parents have to pay a substantial contribution towards secondary education, the allowances play an important part in encouraging middle-

class families, who would be first affected by their cancellation, to keep their children at school.

Slow spender

One man in the happy position of having money spend after Christmas is Friedrich Karl Flick. On January 2 a cool £384m was transferred to the account of his company, Friedrich Flick AG in payment for the 29 per cent holding in Daimler-Benz sold to the Deutsche Bank nearly a year ago.

Spending the money may not be all that easy, however. Because Flick's Daimler holding was valued very conservatively, the group is showing a good gain of £34m on the deal.

To avoid losing more than half the money in such a way that he can convince the economics and finance ministries in Bonn that he is benefiting the West German economy.

This is possible under paragraph six of the income tax law, which was passed in 1964 to encourage private investments and ease "economically sensible adjustments to structural change" in the economy.

But the proceeds of the Daimler transaction are by far the largest sum ever to fall under this aspect of tax law and the present Government are disinclined to let the Flicks get away with too much.

Difficulties over the problem may be at least Flick does not have to go on a gigantic spend-

ing spree straight away. He has until the end of 1978 to invest the cash and in the meantime it will be earning interest. So far, the Flicks have been given no hints about how the money will be spent although it is no secret that some of the companies in the Flick group could do with capital injection. They would account for some but not all of the £346m.

Best cellars

It sometimes seems as if the Hallgartens family spend as much time putting wine and spirits between hard covers as in the bottle.

Peter, chairman and managing director of the House of Hallgarten, is writing something about the family's wine and spirits collection for Faber.

This follows upon three other books, *Liqueurs, Chateau-neuf-de-Pape* and *Cotes-du-Rhone*, all for Wine and Spirit Publications.

Wife Elaine wrote the chapter on liqueurs in the kitchen in the first of Peter's WSP books, and has also written for them a brace of cookery books with Dorothy Brown.

Peter's father Fritz, who started the wine importing business, where he fled to Britain from Germany in 1933, has come out in March his *German Wines*.

This is a Faber coffee table book, which at 115 or thereabouts (which means the price originally envisaged is likely to cost almost as much as the table that bears it).



Peter Hallgarten: books and bottles.

Peter Hallgarten leads not so much a domestic life, for he is now perfecting the sixth chocolate liqueur in 10 years.

Fritz, now a consultant with the firm, was forced to diversify when the war shut out the family's wine, estate-bottled German wines, estate-bottled German wines.

He picked up the rights to Glen Mist, a whisky liqueur. Son Peter, a chemist, was landed with this line when the man who made the secret formula suddenly left.

As the only Hallgartens who could understand the percentages, temperatures and symbols

involved, he had to take over and let's be honest it ever since. His first original concoction was Royal Mink-Chocolate Liqueur, which was really the newly popular water-thin mints in bottles.

Artful dodgers

Faced by allegations that the two-year-old reform of direct taxation has virtually collapsed, the Italian Government is trying to clamp down on income tax evasion at least among members of the entertainment world.

Dr. Visentini, the Finance Minister, has disclosed in Parliament the establishment of a special "operative section" which has already investigated over 600 artists and singers and assessed their taxable earnings of more than £20m.

He was replying to a question from a Christian Democrat deputy who asked what he was doing about the "extremely high and offensive earnings levels" of variety artists and singers.

Visentini's remarks have a defensive tone after a stream of articles in the press maintaining that the only people who have to pay income tax to the full are those on a fixed salary or wages, whether managers or manual workers, while the self-employed enjoy vast possibilities of evasion.

A weekly magazine cites a series of names of prominent people giving what they earn and what they say are the infinitesimal sums submitted on their tax returns.

Few people will deny that local government reorganization has caused some expensive headaches one way or another. Leaving aside rockering rates, poor councillors and soaring staff salaries, nomenclature has also proved something of a problem, particularly in connection with the promotion of opportunities for local authorities directed at industrialists.

County and district councils which dug around for ancient and romantic-sounding names to give their new areas have discovered that not only do they now have to attract industrialists, but they also have to start explaining their location to "foreigners" from other parts of the country.

The county of Cleveland found itself in this position. Research showed that the name Cleveland was "virtually unknown", while attitudes to the area among those businessmen who did know of it were, the county planning department says, largely unfavourable in terms of environmental communications and as a place to live.

As part of an industrial promotion campaign, Cleveland county and BBC Radio Cleveland embarked on a joint exercise — a song competition. The lyrics of the songs served to identify the area and some of its industrial opportunities and environmental attractions.

They were recorded by a local group, The Teesside Fiddlers, and the records sent out to industrialists and their key staffs in October. Results are awaited with interest.

Putting Cleveland on the map

John Fraser, Parliamentary Under-Secretary of State at the Department of Employment, is due to pay a flying visit to the county to open a new careers office at Middlesbrough.

Cleveland county is not quite so badly off in percentage unemployment terms as the northern region as a whole, though it is well above national averages. Within the county area there were in December 16,290 people out of work, a rate of 8.4 per cent. This compares with a regional average of 6.9 per cent and a national average of 5.1 per cent.

For the record, end to help with identification, it should be known that the county of Cleveland is a horizontal strip of heart-shaped wedge. The vital cleft in the heart is the mouth of the Tees, each bank of which is liberally sprinkled with chemicals

LETTERS TO THE EDITOR

Apportioning blame in the City

From Mr Roger Alford
Sir, Your Business News Editor is concerned at the asymmetry between rewards and sanctions facing bankers and financiers in the City ("Rewards and Sanctions in the City", December 29), and takes the view that sanctions are too weak against those who have seen the instructions for which they were responsible banked "by a mixture of bad luck, bad judgment, or professional incompetence".

This list of the sources of bankruptcy unfortunately omits government economic policy, and, whether or not government economic policy can do any good, we certainly know that it can do enormous harm. He also asks: "Should a rescued chairman take no public or financial responsibility for clear failure?" Quite so;

but equally, should government/money authorities/politicians take no public or financial responsibility for clear failure?

If we are going to apportion blame, let us at least have all the defendants in the dock together; then, indeed, let justice be done.

Yours faithfully,
ROGER ALFORD,
The London School of Economics and Political Science,
Houghton Street, London WC2A 2AE.

From Mr Anthony D. R. Holland
Sir, As one who is not engaged in the City, I disagree with High Stephenson (December 29) that there are insufficient financial and professional sanctions against those who are seen either to transgress the

unwritten rules or otherwise fail, and let me add that these unwritten rules are far more stringent than any written ones might be.

Widespread obloquy from all within the City Establishment provides for a longer lasting and greater deterrent to wrongdoing or lack of success than any written rules are likely to.

What is needed is firstly to halt the flow of petty legislation which stifles all enterprise and secondly to make a virtue of success.

Inflation is no longer a case of too much money chasing after too few goods. Rather it is a case of too many "do-gooders" chasing after too few "do-badders".

Yours faithfully,
ANTHONY D. R. HOLLAND,
7-8 Warwick Street,
London, W1A 3AQ.

After reading these three reports no one will dispute the fact that at this moment in time there is an excess of motor vehicle production capacity in the United Kingdom and Europe. After accepting this point, it is logical to presume that there is, at this moment in time, a world-wide excess of motor vehicle production capacity.

This then brings one to the two £24,000,000 questions:

(a) Why did British Leyland develop and manufacture tools, equipment and components for the new Korean "Hyundai" Car Company which will increase world production capacity by 50,000 vehicles per annum in 1976?

(b) Why did the Government's Export Credit Guarantee Department get involved in such a deal?

Yours faithfully,
S. G. JEFFERSON,
Association of Scientific Technical and Managerial Staffs,
3 Vanguard House,
Birmingham B35 7AT.

Excess vehicle capacity

From Mr S. G. Jefferson
Sir, During 1975, we have been presented with:

(a) The Ryder Report
(b) The Expenditure Committee (Trade & Industry sub-committee) Report on the Motor Industry
(c) The report of Sir Kenneth Barrill's Central Policy Review Staff.

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3 Vanguard House,
Birmingham B35 7AT.

Yo-yo strings

From Mr L. K. Freedman
Sir, Yo-yo strings wear out quickly. In the 1930s it was possible to buy both yo-yos and spare strings.

There are some very good yo-yos in the shops but spare strings are not available—why?

Yours faithfully,
L. S. FREEDMAN,
169 Creighton Avenue,
London N2 9BN.

Frank Vogl reports on the 1976 outlook for two key American industries

\$7,000m trade surplus seen for aerospace despite lower exports

Total United States aerospace sales in 1976 should climb to \$29,170m (about £14,585m) after rising in 1975 to \$28,440m, according to estimates released by the Aerospace Industries Association of America.

In the year ahead, civil aircraft sales are seen as declining by about \$2,000m, while gains in all other aerospace categories are expected.

Exports are predicted to fall slightly to \$7,600m in 1976, after advancing in 1975 to a record \$7,800m from \$7,100m in 1974. The association notes that civil aircraft exports account for \$5,600m of the 1975 total.

In an address to industry writers Mr Karl Harr Jr, the association's president, said that "the end result of this export performance will be a favourable balance of trade in aerospace of more than \$7,000m this year".

Inflation had largely accounted for the overall sales gains in dollar terms he said, and using a 1968 constant dollar base, the 1975 total of \$28,440m was \$10,000m less than seven years ago. This accounts for the fact that the number of commercial transport aircraft shipped is well down on the 1974 level, although dollar revenues are higher.

The association pointed out that Department of Defense spending on aerospace equipment rose by \$700m this year, but the actual aerospace share of the department's total outlay, at 14.7 per cent, were down for the seventh consecutive year.

Employment in the industry is said to have fallen by about 52,000 during the year to 921,800 and a further decline to 900,000 by the end of 1976 is predicted.

Profitable year forecast for American chemical sales

Washington, Jan 4.—Sales by American chemical companies are expected to rise by about 17 per cent this year, with net profits rising by 20 per cent, according to a survey of 31 companies by the Manufacturing Chemists Association.

About 20 per cent of the companies look to sales rising by 30 per cent or more, with another 20 per cent forecasting increases of no more than 10 per cent. Largest Department of Commerce figures show that the total value of the industry's deliveries rose 5 per cent in 1975 over 1974 to around \$85,000m (£42,500m).

The association shows that operating costs rose in 1975 ahead of sales by about 7 per cent for transportation and distribution to 15 per cent for fuels and electrical energy. Roughly one-third of the companies surveyed expect some energy shortages to hamper their output in 1976.

Some companies forecast an 11 per cent rise in research and development spending this year, and an increase on average of about 15 per cent in capital investment spending. The industry's labour force is seen as expanding by 3 per cent, after falling about 4 per cent in 1975 to 1,014,000.

Dairy products glut persists

From John Earle
Rome, Jan 4

Overproduction of world dairy products is expected to persist in 1976, especially in the European Community, according to a United Nations Food and Agriculture Organization report presented to a group of dairy industry companies associated with its industry cooperative programme.

World milk production, which almost stagnated last year at about 425 million tons, is likely to rise. Though demand for milk and milk products should gradually recover from the decline caused by the 1975 recession, the report predicts that the imbalance between supplies and commercial outlets will persist especially in the EEC.

Skim milk powder stocks in developed countries are estimated at 1.8 million tons, more than double the level at the beginning of 1975. Prospects for a recovery in skim milk powder prices from their fall of more than 50 per cent in six months to around \$500 (about £250) a ton are considered to be dim.

Because of obstacles foreseen for commercial and food aid outlets, the report concluded that a large part of western European skim milk powder stocks would probably end up as animal feed.

FINANCIAL NEWS

Allied Breweries is reporting this week

The first full working week since before the holidays offers several attractions in scheduled company news profit statements.

Outstanding in terms of sheet size, is Allied Breweries' final, due on Thursday, bringing up the rear of the brewery results season. For the rest, the main interest will lie in investment and share conversion and, in the final, Morgan Crucible, Norfolk Capital Corp, Tobacco Secs Tst, and U. U. Textiles.

THURSDAY: Interims—AGB Research, Alliance Alders, Chive Discount, E.R.F. (Hdgs), Malm, Morgan Crucible (quarterly), Sted and Simpson, Somport, and Symonds Eng. Final—Allied Breweries, and Hawkins and Tipton.

FRIDAY: Interims—Amber Day, Hider, Gray Electronic, and John Waddington. Final—Bert Bros, Flexello, and Speedwell Gear.

French Bourse wipes out its 1974 index loss

In 1975, the Paris Stock Exchange wiped out the 35 per cent loss registered by French shares in 1974, according to a study just published by Agence Economique et Financiere.

The AGEFI index for French shares stood at 99.07 on December 31, 1975, up from 68.13 a year ago. The index, based on 100 equalling January 2, 1962, reached a high of 100.27 and a low of 68.11.

Turnover on the Paris Stock Exchange rose 9.4 per cent last year, to \$3,185m, from \$2,917m in 1974, but was below the 1973 record.

The most active stocks last year were Michelin, Carrefour, Moulins, Air Liquide, SNPA,

Broad base puts RHM off to bright start

Trading results of Ranks Hovis McDougall, the flour, food and bakery group, for the current year are so far better than those in the corresponding period of the previous record-breaking 12 months, Mr Joseph Rank, chairman, confirms in his annual report.

Despite current economic difficulties and "severe" restrictions in some sectors of the group, broadly based within the food industry in the United Kingdom and overseas, faces the future with confidence, he adds.

Pre-tax profit increased by 77.35m to a best-ever £50.22m for the year ended August 30, while external sales rose by £93m to £793m.

This improvement came from increased contributions from all areas, sectors apart from the bakeries. A measure of profitable trading was restored in this division in the second-half, though the full year's results were well below those of 1974, even before taking into account the costs of rationalization.

Although interest charges on short-term borrowings were higher than the previous year, they were reduced in the second-half following the rights issue and more profitable trading.

Industrial action and the Northern Ireland situation contributed, but government price control was very largely responsible for the net trading loss in the bakery division. The overall circumstances forced a speed-up in long-term rationalization plans by closing 11 bakeries during the year, and installing modern plant to keep costs down and improve efficiency in the bakeries.

Hutchison sets March deadline

The remaining provisions to be made in the Hutchison International accounts to take account of the problems of the Alltrak group of companies are likely to total around \$HK30 to 40m, Reuter cables from Hong Kong.

This should be shown in the accounts for the nine-month financial year ended December 31.

A deadline of end-March has been set for preparation and audit of these accounts, and an annual meeting might be held near the end of May.

Last week agreement was reported reached with Fiat-Allis Construction Machinery Inc under which all litigation pending on the Alltrak situation will be withdrawn, including that involving other parties.

Claims against Hutchison over Alltrak totalled \$HK92.4m. The estimate of rolled-up losses of some \$HK75m on Alltrak since the group was set up will not be exceeded and is also unlikely to be reduced.

Hutchison accounts for the year ended March 31, 1975, included a tentative provision of \$HK4.3m for Alltrak. Regarding the \$HK75m loss, the estimate after the \$HK4.3m and \$HK30 to 40m provision, the company said this has already been covered in Hutchison accounts but was unable to give details.

The \$HK3.5m paid to Fiat-Allis under the recent agreement was not compensation. It was for equipment received by the Alltrak group and either sold or remaining in Alltrak stocks.

The 65 trucks and spare parts worth \$15,000m to be returned to Fiat-Allis under the agreement, are a separate matter and these goods should in fact just be transferred to the Fiat-Allis yards in Singapore.

Fiat-Allis, the company said, cancelled the purchase price, interest holding price and all other costs on the returned goods, and sees the agreement as a long-term interest.

Hutchison will do its utmost to help move the returned equipment and the new three-year dealership agreement with Fiat-Allis in Singapore is part of the agreement in this context, as such agreements normally cover 12 months.

It remained Hutchison's intention to establish a properly staffed and planned tractor marketing operation in Singapore to support its Indonesian operations.

I-T-E agrees Gould link-up

I-T-E Imperial Corporation and Gould Inc have agreed in principle to merge.

The companies said that Gould will terminate its present tender offer to purchase 2.5 million I-T-E common shares at \$20 each and will not purchase any shares under that offer.

Gould will promptly make a new offer to purchase one million I-T-E shares, the statement added, at \$20 a share. Meanwhile, I-T-E said its directors have agreed to support both the merger and the new offer.

A definitive merger agreement will be prepared later for approval by both companies' boards and shareholders.

The companies also said the pending litigation between them will be dismissed as a result of the merger agreement.

In the meantime, Gould Inc has raised its quarterly dividend to 34 cents from 30 cents, payable March 15.—Reuter.

World-wide filip for Nederlanden

Marked progress is recorded by Nationale-Nederlanden in 1975, with an estimate of the increase in turnover showing (in millions of guilders), premium life insurance at 15.40m (20m); premium non-life insurance at 13.70m (10.05m); specialist reinsurance activities 280m (nil); and income from investments and other activities 860m (690m), and total turnover at 33.5 per cent at 4,050m (2,980m).

The increase in turnover is strongly affected by the fact that the figures of the BOZ, the Netherlands Reinsurance Group, the Perless Insurance Co, and the Wisconsin National Life Co, have been included for the first time. Disregarding these new participations, as well as the foreign exchange fluctuations, the increase in turnover is about 18 per cent.

Worth noting is the strong expansion of the Group's international activities which rose by 78 per cent and now account for nearly 30 per cent (last year 22 per cent) of the turnover. The growth of the turnover is, among other things, still influenced by the continuing inflation which also affects expenses.

Share disclosures

The interests of Slater, Walker Securities and its subsidiaries in Deutsche Holdings AG, May 15 last totalled some 856,000 ordinary shares, about 20.71 per cent of the equity. (This is not a disclosure under the Companies Act.)

Meanwhile, Estate House Investment Trust, on December 30 disposed of its holding of 656,000 ordinary shares in American Association.

It is also disclosed that Schroder Waggon on December 30 bought some 73,750 shares of Hoffman, Rolland, at 62p, on behalf of associates. On the same date they also bought some 25,000 Alexander Hovden ordinary at 135p on behalf of associates.

Management

Dilemmas of the under-financed and officered TUs

One of the most remarkable episodes in the history of the TU occurred in 1902, when the leadership advertised in the national press for a clerical assistant to the part-time secretary of the parliamentary committee. There were 1,000 applications, and two out of a shortlist of 12 withdrew when they were told that there was no prospect of promotion. The person appointed, W. J. Belton, died in 1943 as head of the national department.

There is something of the same situation abroad today. A variable number of people like to work in the TU movement, but can see a prospect of doing so. Perhaps a thousand applications one job has not been filled lately, but one cannot see the impression that a hotly qualified people are entering on the brass doors he union movement and not in.

It is a matter of fact that Union members in Britain are unusually much about subsistence. Whereas in Western Europe generally the norm of hours pay for a week's work is more or less £10, in Britain now it is £8.50.

As long ago as 1886 James Mawdsley, the conservative leader of the British cotton-spinners' union, went to an international trades union congress and made one of those celebrated admissions which are so current today—highlighted, for example, in Baron von Platner's article in *The Times* on December 19: "The standard of education and the measure up the possibilities inherent in the British people".

Mawdsley said, as reported by the *Webbs*: "The workmen of England were not so advanced

as the workmen of the Continent. Nevertheless, they, at least, possessed one clear conception: they realized that the actual producers did not obtain their share of the wealth they created."

This is at best a very modest perception. Mere exhortation does not encourage an increase in the production of wealth—and indeed for most employees in Britain merely working harder would make very little difference either to the amount of wealth produced or the allocation of shares in it. The organization of greater effectiveness is just as important.

Individual trade union leaders, as they grow older and greyer in office, sometimes have an opportunity to assist in more purposeful organization. The late Eddie Marsden, leader of the constructional engineers, is a greater loss to the industry simply because he had reached this stage of maturity in office when he died.

But the nature of the British union movement, under-financed, under-officered, and teetering on the edge of collapse, means that this must be a slow process in individual cases.

There is no natural well within the union movement itself from which systematically trained leadership emerges. Only a minority of the bright young unionists who go to

Ruskin College can, and do, return to office in their unions.

Some shop steward training schemes developed cooperatively between local union organizations and managements have turned out to be not a means of increasing the thoughtful conduct of industrial relations in the plants concerned, but a means of providing industrial relations officers to other companies.

There is a consolation in this state of affairs. One can hardly develop a corporate state with a monolithic alliance between unions and government if the unions consistently shy away from the training that corporateism would require.

But the frustrating side of it is more obvious. It is particularly obvious in matters relating to disclosure of information to employees, which is advocated at the moment apparently on the assumption that all (or most) employees are people educated and answer should provide information, and working in, say, factories where there are clearly definable and closely interlinked interest groups.

In fact the diversity is startling. If you ask a union to disclose information to its members, the answer is usually that there is not much information that they do not have already.

Edited by Rodney Cowton

udiovisual gains in the business communications market

year advanced by a few the use of audiovisual in the management.

It became a stage more illic to regard film as the relevant medium; and the BBC2 of nine Video Arts in an adult educational on salesmanship, remarkable, highlighted a par aspect of the multi-media impement, when Video Arts ded their customers of possible legal dangers of taping such programmes ther use.

Any have been putting strongly when they said video-taping of Arts films is against. But copyright, a cat but even in times, has become even angled since, first, copy paper came into general use, followed by sound w, vision copying.

problems are real for producers of original and, with almost every organization already copy-pasted material for circulation among its officers, the

potential dangers for a/v producers are obvious enough.

There is a great deal of a/v material on offer to management in a variety of forms. Audio without visual has come into the scene, with recorded educational material in cassette form—for car, office and home—as, by Oyez-IBC say of their *Cassette Law Series*: continuing education for solicitors, accountants and other professional people.

Time Life have the visual as well in their (American) video cassette *Speed Reading and Negotiating*. Successfully courses, eight and six 40-minute cassettes respectively, now available in Britain.

Both courses are also available in film—and film, with the virtually universal availability of the 16mm projector, still leads, albeit by a shorter head. Thus, National Westminster Bank, finding that their slide sequence on leadership, produced for internal training, had a wider domestic appeal, put an action in court in which we see how many levels of management are involved, a message clearly applicable to other areas than that of glass.

still pictures, but the message is available to a wider range of users than would have bought or hired the slides.

Video Arts themselves, keeping in their familiar film technique, have made the first two of a series on telephone use. When I'm calling you and Will you answer true? each an hilarious quarter of an hour on the horrors that wrong use of the telephone can produce.

The British Productivity Council made *Cash Flow Crisis* to help managers meet, or better, anticipate, the kind of trouble that has beset so many businesses in the past year. The 25-minute film and the substantial book that accompanies it emphasize the need for the involvement of more than the company accountant.

Generality of message is a feature also of a new Millbank safety training film, *One Green Bottle*, sponsored by the Chemicals, Glass and Mineral Products Industry. An accident due to internal training, had a wider domestic appeal, put an action in court in which we see how many levels of management are involved, a message clearly applicable to other areas than that of glass.

Safety is for everyone. One of the Oyez cassettes, to be recorded this month, is a study of the Health and Safety at Work Act, and the hour of quietude and, under the guidance of a room for more detail than would have been appropriate in the (free hire) film from the Central Office of Information, *It shall be the duty*... which accompanied the coming into force of the Act last spring and which incidentally was introduced on video tape.

Almost as general a message is that of *Where's the Trust?*, from Management Training. This is an induction training package, with a 20-minute film, 50 minutes of sound tape, nine transparencies and supporting print. While the film presenter may not win all hearts the course provides a formidable portion of food for thought and discussion, not least in the unscripted discussions with workers.

In a multi-media context we may note the increasing use by management of home produced material. The *Nature* slides are one example; SF's presentation to their scattered staffs of a recorded interview with their chairman is another.

Not is this kind of activity confined to banks and oil companies: when DPM Seafoods had their seasonal trade show last month, with two new films on the pleasures of their Danish holidays, they described their 1976 programme not in the flesh but in a pleasantly light-hearted video treatment.

Perhaps DIY is potentially almost as much a threat to the professionals as video-taping.

Eynon Smart

Cassette Law, one and two hour courses, £6 and £12. Speed Reading, £2,360; hire, month £475. Negotiating successfully, £1,070; hire, month £295. The Beaver Report, £120; hire, two days £20; week £30. When I'm calling you and Will you answer true? each £150; hire, two days £30; week £37.50. Cash Flow Crisis, £150; hire, one day £9, then £3 per day. One Green Bottle, £150; hire, three days £15; week £20. Where's the Trust?, whole package £215; hire, week £60. Film and leader guide, £185; hire, two days £20; week £30.

New life business

Pearl Assurance advances to £547m

As with several other leading life assurance institutions reporting their new business for 1975, Pearl Assurance's figures show chiefly significant increases on the preceding year.

In Pearl's life department, new sums assured in 1975 totalled £547m, as compared with £436.41m; though annuities slipped from £42.1m to £3.4m. New annual premiums amounted to £20.3m against £17.09m for 1974. Meanwhile, single premiums and annuity considerations fell back from £7.28m to £4m.

London Life Association

Reporting an increase in new sums assured from £72.3m to £98.71m, London Life Association also shows a rise in new annual premiums from £3.12m to £3.88m. Permanent Health Insurance sums assured came to £196m compared with £102m, immediate and deferred annuities £53.3m against £40.3m, single premiums and considerations for annuities were £19.5m (£3.2m).

The figures shown are net, after deduction of reinsurance, and exclude London Life's managed fund subsidiary, whose figures are as follows: new annual premiums £447,000 against £483,000 and single premiums £577,000.

Mercantile & Gen

New sums assured by Mercantile & General Reinsurance rose from £11.78m to £13.80m, while new annual premiums amounted to £7.29m against £6.00m against £1.09m, and included in this are annuity considerations of £350,000 against £200,000. New premiums under Permanent Health Insurance came to £1.65m against £1.56m.

Equity & Law Life

Equity and Law Life Assurance Society has declared bonuses for 1975 on its individual with-profit policies in the UK and Jersey, at the same rates as those declared a year ago. The bonuses declared on

December 31 last on individual policies are:

Life assurance, second series, issued before January 1, 1970—£3.75 compound.

First series, issued before January 1, 1970—£3.50 to £5 on the sum assured, according to age and term at entry together with £2.75 on attaching bonuses.

Pension policies—£3.25 compound.

The rates of interim bonus for 1976 are the same as those declared for 1975.

Terminal bonus will be payable at the rate of 10 per cent of attaching bonuses on individual policies becoming claims by death or maturity. A "vesting bonus"—a new introduction—of 10 per cent of the total pension, including reversionary, interim and terminal bonuses, will be allotted to with-profit personal pension deferred annuities vesting in 1976.

Group pension policies are: profit-sharing, £3 on £100 of premiums; equity, £2.25 on £100 of effective premiums.

Capitalization & week's change

\$ Forward bargains are permitted on two previous days.
(Market price multiplied by the number of shares in issue for the stock quoted)

* Six dividend, a \$2.40, 4 Percent dividend, a Current price, a before payment dividend, 1 Price at suspension. Dividend and yield earned a special payment, 1 bid to complete a Price dividend, 4 Percent earnings, 1 Percent distribution, 1 \$2.40, 1 \$2.40 or share price. The index is Price adjusted for the dividend. ** Not significant data.

THE TIMES SHARE INDICES

The Times Share Indices for 1928-29, 1929-30, 1930-31, 1931-32, 1932-33, 1933-34, 1934-35, 1935-36, 1936-37, 1937-38, 1938-39, 1939-40, 1940-41, 1941-42, 1942-43, 1943-44, 1944-45, 1945-46, 1946-47, 1947-48, 1948-49, 1949-50, 1950-51, 1951-52, 1952-53, 1953-54, 1954-55, 1955-56, 1956-57, 1957-58, 1958-59, 1959-60, 1960-61, 1961-62, 1962-63, 1963-64, 1964-65, 1965-66, 1966-67, 1967-68, 1968-69, 1969-70, 1970-71, 1971-72, 1972-73, 1973-74, 1974-75, 1975-76, 1976-77, 1977-78, 1978-79, 1979-80, 1980-81, 1981-82, 1982-83, 1983-84, 1984-85, 1985-86, 1986-87, 1987-88, 1988-89, 1989-90, 1990-91, 1991-92, 1992-93, 1993-94, 1994-95, 1995-96, 1996-97, 1997-98, 1998-99, 1999-00, 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, 2023-24, 2024-25, 2025-26, 2026-27, 2027-28, 2028-29, 2029-30, 2030-31, 2031-32, 2032-33, 2033-34, 2034-35, 2035-36, 2036-37, 2037-38, 2038-39, 2039-40, 2040-41, 2041-42, 2042-43, 2043-44, 2044-45, 2045-46, 2046-47, 2047-48, 2048-49, 2049-50, 2050-51, 2051-52, 2052-53, 2053-54, 2054-55, 2055-56, 2056-57, 2057-58, 2058-59, 2059-60, 2060-61, 2061-62, 2062-63, 2063-64, 2064-65, 2065-66, 2066-67, 2067-68, 2068-69, 2069-70, 2070-71, 2071-72, 2072-73, 2073-74, 2074-75, 2075-76, 2076-77, 2077-78, 2078-79, 2079-80, 2080-81, 2081-82, 2082-83, 2083-84, 2084-85, 2085-86, 2086-87, 2087-88, 2088-89, 2089-90, 2090-91, 2091-92, 2092-93, 2093-94, 2094-95, 2095-96, 2096-97, 2097-98, 2098-99, 2099-00, 2100-01, 2101-02, 2102-03, 2103-04, 2104-05, 2105-06, 2106-07, 2107-08, 2108-09, 2109-10, 2110-11, 2111-12, 2112-13, 2113-14, 2114-15, 2115-16, 2116-17, 2117-18, 2118-19, 2119-20, 2120-21, 2121-22, 2122-23, 2123-24, 2124-25, 2125-26, 2126-27, 2127-28, 2128-29, 2129-30, 2130-31, 2131-32, 2132-33, 2133-34, 2134-35, 2135-36, 2136-37, 2137-38, 2138-39, 2139-40, 2140-41, 2141-42, 2142-43, 2143-44, 2144-45, 2145-46, 2146-47, 2147-48, 2148-49, 2149-50, 2150-51, 2151-52, 2152-53, 2153-54, 2154-55, 2155-56, 2156-57, 2157-58, 2158-59, 2159-60, 2160-61, 2161-62, 2162-63, 2163-64, 2164-65, 2165-66, 2166-67, 2167-68, 2168-69, 2169-70, 2170-71, 2171-72, 2172-73, 2173-74, 2174-75, 2175-76, 2176-77, 2177-78, 2178-79, 2179-80, 2180-81, 2181-82, 2182-83, 2183-84, 2184-85, 2185-86, 2186-87, 2187-88, 2188-89, 2189-90, 2190-91, 2191-92, 2192-93, 2193-94, 2194-95, 2195-96, 2196-97, 2197-98, 2198-99, 2199-00, 2200-01, 2201-02, 2202-03, 2203-04, 2204-05, 2205-06, 2206-07, 2207-08, 2208-09, 2209-10, 2210-11, 2211-12, 2212-13, 2213-14, 2214-15, 2215-16, 2216-17, 2217-18, 2218-19, 2219-20, 2220-21, 2221-22, 2222-23, 2223-24, 2224-25, 2225-26, 2226-27, 2227-28, 2228-29, 2229-30, 2230-31, 2231-32, 2232-33, 2233-34, 2234-35, 2235-36, 2236-37, 2237-38, 2238-39, 2239-40, 2240-41, 2241-42, 2242-43, 2243-44, 2244-45, 2245-46, 2246-47, 2247-48, 2248-49, 2249-50, 2250-51, 2251-52, 2252-53, 2253-54, 2254-55, 2255-56, 2256-57, 2257-58, 2258-59, 2259-60, 2260-61, 2261-62, 2262-63, 2263-64, 2264-65, 2265-66, 2266-67, 2267-68, 2268-69, 2269-70, 2270-71, 2271-72, 2272-73, 2273-74, 2274-75, 2275-76, 2276-77, 2277-78, 2278-79, 2279-80, 2280-81, 2281-82, 2282-83, 2283-84, 2284-85, 2285-86, 2286-87, 2287-88, 2288-89, 2289-90, 2290-91, 2291-92, 2292-93, 2293-94, 2294-95, 2295-96, 2296-97, 2297-98, 2298-99, 2299-00, 2300-01, 2301-02, 2302-03, 2303-04, 2304-05, 2305-06, 2306-07, 2307-08, 2308-09, 2309-10, 2310-11, 2311-12, 2312-13, 2313-14, 2314-15, 2315-16, 2316-17, 2317-18, 2318-19, 2319-20, 2320-21, 2321-22, 2322-23, 2323-24, 2324-25, 2325-26, 2326-27, 2327-28, 2328-29, 2329-30, 2330-31, 2331-32, 2332-33, 2333-34, 2334-35, 2335-36, 2336-37, 2337-38, 2338-39, 2339-40, 2340-41, 2341-42, 2342-43, 2343-44, 2344-45, 2345-46, 2346-47, 2347-48, 2348-49, 2349-50, 2350-51, 2351-52, 2352-53, 2353-54, 2354-55, 2355-56, 2356-57, 2357-58, 2358-59, 2359-60, 2360-61, 2361-62, 2362-63, 2363-64, 2364-65, 2365-66, 2366-67, 2367-68,

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